

HIGHLIGHTS OF THE FY 2006 BLM REQUEST

Cooperating to Conserve the Nation's Resources

The Bureau of Land Management manages more land than any other Federal agency. Part of the U.S. Department of the Interior, BLM administers 261 million surface acres, most of which are in 12 Western states, including Alaska. The agency is also responsible for managing about 700 million acres of subsurface mineral land nationwide. With a multiple-use mission to sustain the health and productivity of the public lands for the use and enjoyment of present and future generations, the Bureau administers a wide range of uses, from oil and gas production to recreation, from mineral development to grazing. BLM also conserves historical, cultural, natural, and other resources on the public lands to carry out its mission.

The job of balancing this mix of uses grows more complex each year, as the West's population growth subjects the public lands to new pressures and heightens existing challenges. With over 64.5 million people living in the region today, the West continues to be the fastest-growing region in the nation. This growth - and the urbanization that accompanies it - places new demands on BLM-managed land.

In the face of these challenges, BLM continues its multiple-use mission as established by the Federal Land Policy and Management Act of 1976, which gives the agency flexibility to respond to changing national needs. In doing so, BLM exemplifies the spirit of Interior Secretary Norton's philosophy of the Four Cs: communication, consultation, and cooperation, all in the service of conservation. More broadly, BLM's approach to land management serves as a model of President Bush's idea of cooperative conservation, which emphasizes inclusion of local input in the process of conserving the environment.

Summary of BLM's Request

The 2006 President's Budget Request for the BLM is \$1,749,042,000. Excluding reductions related to not requesting replenishment of one-time fire contingency appropriations, and from transfer of the Central Hazardous Materials Fund to the Department of the Interior, the budget request provides an increase of \$27.1 million above the 2005 enacted level. The request includes a net increase of \$15.9 million, or 1.6 percent, for BLM's operating accounts, an increase of \$2.2 million in Land Acquisition, and an increase of \$23.9 million for Wildland Fire Management. Decreases of \$4.9 million for Construction and \$10.0 million for Range Improvements are also proposed in this budget. The Bureau's uncontrollable costs, and those of the Department's wildland fire management program, are fully funded within this budget request.

BLM 2006 Re	quest – Summary	y by A	Appro	priation
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APPROPRIATION		2004	2005	2006	Change
(\$000s)		Actual	Enacted	Request	From 2005
CURRENT DISCRETIONARY:					
Management Of Lands and Resources	\$	855,266	836,826	850,177	+13,351
Oregon and California Grant Lands	\$	105,358	107,497	110,070	+2,573
Wildland Fire Management	\$	883,593	732,684	756,564	+23,879
Land Acquisition	\$	18,371	11,192	13,350	+2,158
Construction	\$	13,804	11,340	6,476	-4,864
Central Hazardous Materials Fund	\$	9,855	9,855	0	-9,855
Subtotal, Current Discretionary	\$	1,886,247	1,709,394	1,736,637	+27,242
-	FTE	10,519	10,399	10,407	+8
CURRENT MANDATORY:					
Range Improvements	\$	10,000	10,000	0	-10,000
Service Charges	\$	16,499	20,055	32,940	+12,885
[Energy & Minerals Cost Recovery]	\$	[640]	[1,840]	[10,840]	[+9,000]
Service Charges Offset	\$	-16,499	-20,055	-32,940	-12,885
Miscellaneous Trust Funds	\$	16,427	12,405	12,405	0
	FTE	80	80	80	0
Subtotal, Current Mandatory	\$	26,427	22,405	12,405	-10,000
	FTE	241	285	260	-25
Current Appropriations Subtotal,		4 040 074	4 704 700	4.740.040	. 47.040
Excl. One-Time Fire Contingency Approps.	\$	1,912,674	1,731,799	1,749,042	+17,243
	FTE	10,760	10,684	10,667	-17
Wildland Fire Contingency Appropriations TOTAL, INCLUDING	\$		98,611	0	-98,611
CONTINGENCY APPROPRIATIONS		1,912,674	1,830,410	1,749,042	-81,369

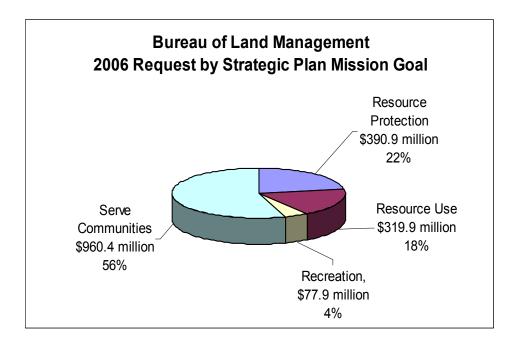
The complexity of the BLM's multiple-use mission can be seen in the distribution of funding by the mission goals of the Department's Strategic Plan, with \$319.9 million of the total BLM budget request dedicated to Resource Use, \$390.9 million for Resource Protection, \$77.9 million for Recreation, and \$960.4 million to Serve Communities. The table and charts on the following page show the distribution of funding by Strategic Plan Mission Goal.

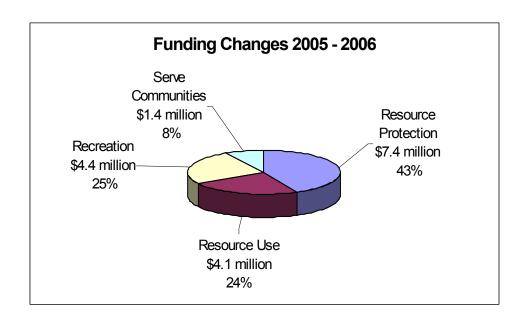
Budget Request by DOI Mission Component (\$000s)

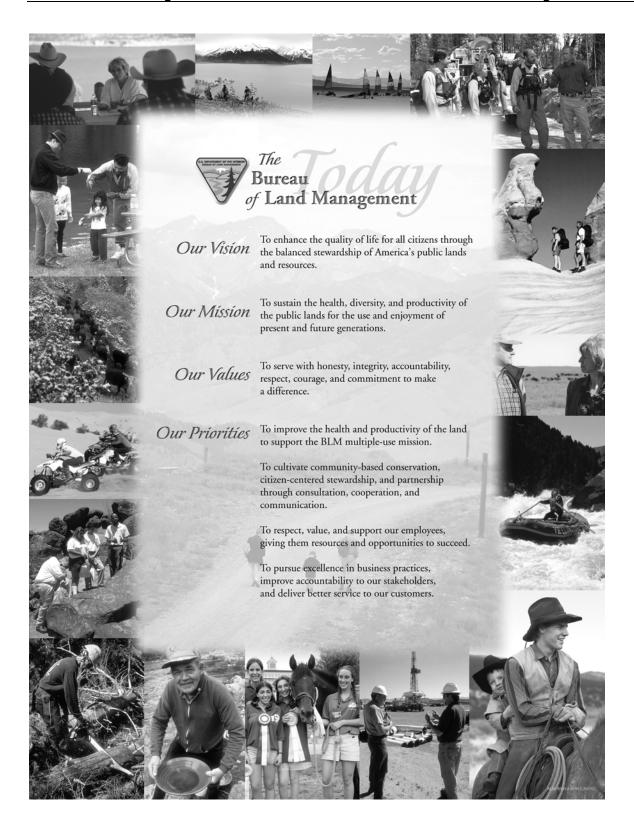
Mission	2005	2006	Change
Goal	Enacted*	Request	From 2005
Resource Protection	383,516	390,864	+7,347
Resource Use	315,809	319,924	+4,115
Recreation	73,493	77,871	+4,378
Serving Communities	958,981	960,384	+1,403
Total	1,731,799	1,749,042	+17,243

^{*}For comparison purposes, funding for the CHF account and the one-time contingency appropriation of \$98.6 million for fire suppression, which will be transferred to DOI in 2006, are netted out of the 2005 total.

2006 Funding Request by Strategic Plan Mission Goal







Improving the Quality of the Public Land Experience

In 2004, the BLM examined workload throughout the organization to target its resources to the program areas that would most contribute to Americans' quality of life. From this exercise, the BLM has begun to develop a strategic budget plan that will guide funding requests through 2009. This plan identifies four program emphasis areas and other cross-program functions, and ties workload in those areas to goals in the Department of the Interior Strategic Plan. The BLM has begun to express this multi-year budget strategy in annual increments of projected workload and funding, and expects to fully outline the strategy in the 2007 budget justifications. The four primary emphasis areas will remain unchanged, however, and are previewed below.

Budget Emphasis Areas	2006 BLM Initiatives		
Contribute to Domestic Energy Supply - Conventional Energy - Renewable Energy	*User Fees to Improve Service		
Improved Dispersed Recreational Opportunities	*Transportation/OHV Management - Cost-sharing Partnerships (CCS)		
	* Healthy Forest Initiative		
	*Sagebrush Habitat Conservation		
Manage Rangelands and Forests to Achieve	- Cost-sharing Partnerships (CCS)		
Healthy and Productive Watersheds	*Weed Management		
	- Cost-sharing Partnerships (CCS)		
	*Land Acquisition		
Protect and Preserve Heritage Resources	*Law Enforcement		
	*Landscape Conservations (NLCS)		
Crosscutting Programs of Special Interest	*Full Uncontrollable Cost Changes		
	*Monitoring		

Contributing to the Domestic Energy Supply

In 2006, the BLM will continue to play a major role in implementation of the National Energy Policy. Involvement by the BLM is critical to achieving the President's goals of modernizing the Nation's energy infrastructure and increasing the Nation's domestic energy supplies while protecting the environment. Building on past years' successes, the BLM will continue to emphasize the timely processing of Applications for Permits to Drill (APDs), monitoring to ensure environmentally sound practices, continuing the second phase of the EPCA inventory, analyzing development on the North Slope of Alaska, and working to integrate the findings of the completed EPCA study into BLM land use plans.

The budget increases funding for BLM's energy and minerals programs to \$117.6 million, \$9.1 million above the 2005 enacted level. The increased funding is achieved primarily by recovering additional costs through fees, and assumes continued high demand for energy leases and drilling permits. The potential revenue from these user fees, shown in the table below, will allow BLM to reduce the number of permits pending over 60 days.

ENERGY AND MINERALS FUNDING HISTORY										
(\$000s)	2002 Enacted	2003 Enacted	2004 Enacted	2005 Projected	2006 Request					
Budget Authority	95,393	105,898	107,879	106,631	106,777					
Cost Recovery			640	1,840	10,840					
Total Funding	\$95,393	\$105,898	\$108,519	\$108,471	\$117,617					

Oi	l and Gas API	Os		
	2003	2004	2005	2006
	Actual	Actual	Estimate	Estimate
Pending APDs less than 60 days old at start of year	240	460	654	787
Pending APDs greater than 60 days old at start of year	3,080	2,780	2,214	1,681
Total Pending APDs at start of year ¹	3,320	3,240	2,868	2,468
New APDs Received	5,063	6,979	7,000	6,700
Processed APDs ²	5,143	7,351	7,400	7,900
[APDs Approved]	[3,961]	[6,452]	[6,550]	[6,800]
Pending APDs less than 60 days old at end of year	460	654	787	1,148
Pending APDs greater than 60 days old at end of year ³				
one at one or your	2,780	2,214	1,681	120
Total Pending APDs at end of year	3,240	2,868	2,468	1,268

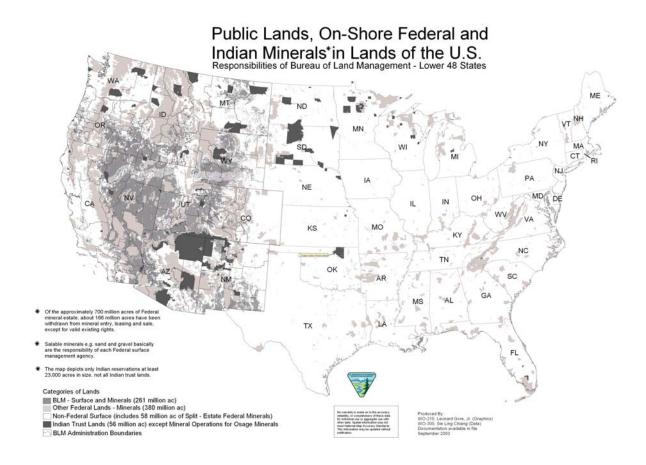
¹ The performance table shows two categories of pending APDs; those less than 60 days old and those more than 60 days old. BLM processes APDs, to the greatest extent possible, on a first in – first out basis. There will always be some APDs that are pending as a normal part of business. BLM is striving to reduce the number of pending APDs that are more than 60 days old.

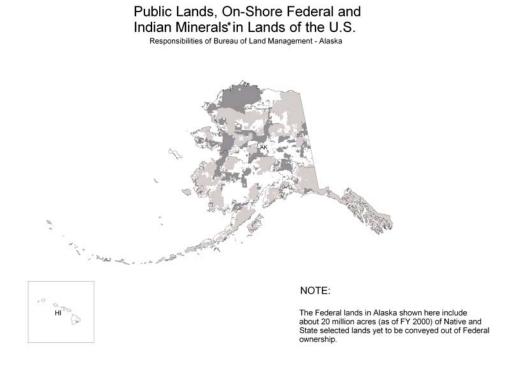
² The total number of APDs processed included the APDs that are approved and the APDs that are rejected, withdrawn or returned as incomplete. The dramatic increase in the number of APDs processed between 2003 and 2004 was partially a result of the completion of environmental reviews in the Powder River Basin. BLM does not anticipate a similar increase in future years.

³ Reducing the number of APDs that have been pending for more than 60 days is a major concern of the BLM. The additional funding in 2006 available from receipts will allow the BLM to dramatically reduce the number of APDs in this category. BLM anticipates that some APDs will remain in this category because of the need for Environmental Impact Statements or because of other complex surface management issues.

Oil and Gas – Domestic production from over 63,000 Federal onshore oil and gas wells accounts for 11 percent of the Nation's natural gas and five percent of its oil. BLM has used recent program increases to respond to the unprecedented demand for drilling permits.

Renewable Energy – To achieve the goals of the President's National Energy Policy, BLM is facilitating the development of renewable energy – especially geothermal, wind, and solar energy – as part of a strategy to diversify domestic energy supplies and to meet the country's energy needs. In addition, adoption by some western states of new renewable energy portfolios, the recent enactment of a national Production Tax Credit and the overall demand for energy are creating a renewed interest in Federal geothermal resources. BLM currently administers 55 active leases that allow the operation of 34 geothermal power plants with a total capacity of 1,275 MW, which supplies electricity to more than 1.2 million homes. BLM will continue to conduct studies necessary to evaluate and process the increasing number of applications for rights-of-way for the sighting of wind and solar energy projects and applications for rights-of-way for electric transmission lines from these projects, including completion of an EIS relating to the authorization of wind energy projects.





Coal – Coal provides the base fuel for over 23 percent of America's total energy consumption. A growing portion of the Nation's coal production comes from Federal leases managed by the BLM. Federal coal production has increased more than 30 percent in the last five years. In 2004, 511 million tons (47 percent of the total estimated U.S. coal production), was mined from these coal leases, generating \$417.6 million in royalties.

Improving Dispersed Recreation Opportunities

BLM is seeking \$3.6 million in additional funds in the Recreation program primarily to develop travel management plans in areas of high recreation use and to implement off-highway (OHV) vehicle plans. The request also includes an additional \$2.2 million under the Challenge Cost Share program to establish partnerships for OHV management. Together, these funding increases will allow BLM to provide high-quality recreation experiences to meet the needs of the public while maintaining or restoring America's natural resources.

Transportation/OHV Management – Many of the Resource Management Plans (RMPs) being completed by the Bureau are deferring completion of their Travel Management Plans until the implementation phase of the planning process. Over 70 RMPs have identified management of OHVs as one of the primary issues to be addressed in the RMP process. Improved management would minimize: impacts to wildlife habitat, introduction and spread of invasive weeds, and damage to cultural resources resulting from the expansion of roads and trails on public lands. The Bureau's goal of completing a designated road and trail management system for all resource planning areas will require road and trail inventories, collaboration meetings with user groups, and interdisciplinary route analysis. Upon completion of the route designation

process, implementation plans will call for considerable conservation and resource damage mitigation work.

The conservation work will require such measures as re-routing or removing existing roads and trails, signing and mapping to direct and educate the public, repairing damaged resources through re-vegetating sage-grouse habitat, and conducting archaeological recovery or restoration actions.

Managing Rangeland and Forests to Achieve Healthy and Productive Watersheds

This emphasis area focuses on: improving forest resiliency and contributing to local economies through forest treatments; increasing the quality and quantity of sagebrush, steppe, and grasslands; maintaining an adequate water supply and assuring that surface water meets state water quality standards and the needs of local communities.

Healthy Forests Initiative and Fire Management – BLM manages 55 million acres of forests and woodlands, including 11 million acres of commercial forest and 44 million acres of woodlands within 11 Western States and Alaska. Fifty-three million acres are forests and woodlands on public domain lands and 2.4 million acres are on Oregon and California (O&C) Grant lands in western Oregon. Sixteen million acres of these forests and woodlands are in need of ecological restoration work, including mechanical thinning and tree species reintroduction.

Population growth at the urban interface with the western States continues to be a challenge for BLM as that growth places pressure on natural resources and open space. BLM's Forestry and Fire Management programs work to meet these challenges by reducing the buildup of fuels that can produce catastrophic fires and threaten urban-interface communities, and by helping to find commercial uses for small-diameter wood products, including biomass and furniture. Commercial timber sales partially meet the demands of U.S. consumers for lumber while providing jobs and economic stability for local timber-oriented communities.

In response to the buildup of fuels on public lands, President Bush launched the Healthy Forests Initiative in 2002. This initiative focuses on reducing the risk of catastrophic fire by thinning dense undergrowth and brush in priority locations that are selected through a collaborative process with Federal, State, tribal, and local officials and communities. The Healthy Forests Initiative also provides for more timely responses to disease and insect infestations that threaten forests. The *Healthy Forests Restoration Act*, signed into law by President Bush on December 3, 2003, gives the BLM additional tools to support forest health improvements and local economies.

For 2006, the BLM is proposing to re-direct a total of \$5.7 million from the Jobs-in-the-Woods program (JITW) to O&C Forest Management, Other Forest Resources, and O&C Resource Management Planning. These re-directed funds will be used to increase thinning in the Late Successional Reserves of the Northwest Forest Plan area, continue a portion of the restoration and fish passage projects traditionally funded through JITW, and continue the planning revisions for the six western Oregon resource management plans. The increase in commercial timber harvest is consistent with the goals of the Northwest Forest Plan, and will result in increased economic benefits and jobs in timber-dependent communities. In addition, the increased harvesting will accelerate development of old-growth characteristics by thinning younger stands of trees in the Late Successional Reserves.

The BLM is also requesting an additional \$1.5 million to promote healthy forests by completing 2,100 acres of forest restoration treatment on public domain lands, using stewardship contracts and other means. The BLM will use \$1.1 million to produce approximately four million board feet of wood products to be offered for sale, bringing the total volume offered to 42 million board feet of forest products on public domain lands. The remaining \$400,000 will be used to increase capacity and restore technical and field expertise where the need is greatest. The BLM will use a portion of the \$1.1 million to expand the use of stewardship contracts under authority granted by Congress in 2003.

The Wildland Fire Management program provides the Department of the Interior's funding for fire prevention, fire suppression, fire preparedness, and rehabilitation activities. The 2006 Wildland Fire Management budget will build on these efforts and will continue to address fuels build up in the wildland-urban interface, the transitional zone between undeveloped land and human settlements. This focus on "WUI treatments" is designed to increase protection of people, property, communities, and resources. The 2006 budget request proposes \$756.6 million to support the fire preparedness, suppression, fuels reduction, and burned area rehabilitation needs of the Department. This represents a net increase of \$23.9 million over the 2005 enacted level, including a \$15.7 million increase to fully fund Suppression Operations at the ten-year average. The BLM is requesting \$158.5 million from within an overall Departmental request of \$286.7 million for Wildland Fire Preparedness.

Sage-Grouse and Sagebrush Habitat Conservation – In November 2004, BLM released its national Sage-Grouse habitat conservation strategy, which emphasizes partnership efforts to conserve the remaining sage-grouse habitat that occurs on BLM land. Responding to the decline of this game bird and other sagebrush/steppe-dependent species, BLM is requesting an additional \$7.0 million in 2006 for conservation and restoration efforts, including \$3.4 million to establish habitat restoration partnerships under the Challenge Cost Share program. In coordination with Federal and State partners, the national strategy lists 48 actions under four

goals intended to maintain, enhance, and restore sagebrush habitat while ensuring multiple use and sustained goals of the Federal Land Policy and Management Act.

The BLM goals of the national strategy are to:

- Establish a management framework for addressing conservation of sage-grouse on lands administered by the BLM;
- 2) Enhance knowledge of resource conditions and priorities to support habitat maintenance and restoration efforts:
- 3) Expand partnerships, available research, and information that support effective management of sage-grouse and sagebrush habitats; and,
- 4) Ensure leadership and resources are adequate to implement BLM's national and State-level sagegrouse and sagebrush habitat conservation strategies and/or plans.



The greater sage grouse is an at-risk species that depends heavily on habitat managed by the BLM.

Invasive Species – Many of the RMPs in the sage ecosystems have identified invasive species as a land health issue. The BLM uses its Partners-Against-Weeds Strategy to embrace the National Invasive Species Management Plan in achieving on-the-ground efforts. The control of invasive weeds is a key to improving the health of sagebrush ecosystems and reducing hazardous fuels. The BLM is requesting an additional \$300,000 to prevent further spread of weeds in areas that are infested. Ultimately, the Bureau intends to target areas for treatment that have historically been native sagebrush communities.

A requested increase of \$1.0 million in Challenge Cost Share funding will provide for additional weed treatment applications, weed inventory, evaluation of weed treatments, and restoration efforts. Efforts would be focused on Departmental and National Invasive Species Council initiative areas, including leafy spurge in the Northern Great Plains and Tamarisk in the Rio Grande River Basin. A requested increase of \$6 million in Cooperative Conservation Initiative funding may also support management of invasive weeds and rangeland health.

Other Challenge Cost Share Contributions – Altogether, the BLM is seeking an additional \$12.6 million for Challenge Cost Share projects. As discussed above, the budget targets: \$2.2 million of that amount to OHV Management, \$3.4 million to improvement of sagebrush habitat, and \$1.0 million to weed management. The remaining \$6.0 million is being requested as part of Secretary Norton's Cooperative Conservation Initiative, with a focus on rangeland health improvements.

Challenge Cost Share has leveraged millions of Federal dollars with private and state funding for conservation efforts that have benefited resources on BLM-administered lands. The purpose of the CCS and CCI programs is to seek cost-shared, results-oriented conservation projects using innovative means or practices that embody cooperation, communication, and consultation in the service of conservation. Typical examples of CCS and CCI projects include stabilization and conservation of cultural resources; streambed restoration; eradication of noxious weeds or invasive species; wildlife species monitoring; off-highway vehicle use management; recreation site enhancement; and providing educational opportunities.

The number of potential partners for CCS projects continues to grow, with over 100 partnerships with national-level conservation groups, and other partnerships on the local level. In 2003, the BLM funded 486 CCS projects and leveraged \$23.0 million in cash and in-kind contributions of labor and services with \$8.9 million in appropriated funds. BLM also funded 87 Cooperative Conservation Initiative projects and obtained \$10.8 million in cash and in-kind contributions, in addition to the \$5.0 million that was appropriated for CCI in 2003. In addition to the benefits to the public lands and resources, this program has developed goodwill, better communication and collaborative and cooperative working partnerships with a variety of people and organizations, including State fish and wildlife agencies; heritage programs; forestry divisions; oil, gas, and mining divisions; colleges and universities; local companies; livestock permittees; not-for-profit organizations, and other national and local interests.

Land Acquisition - BLM's 2006 budget proposes \$13.3 million for BLM land acquisition, an increase of \$2.1 million over the 2005 enacted level. The request includes \$9.6 million for line-item projects that will support seven projects in five states. BLM's acquisition strategy continues to emphasize the input and participation of affected local communities and stakeholders in projects as well as the use of alternative and innovative conservation tools such as easements and purchases of development rights.

Protecting and Preserving Heritage and Cultural Resources

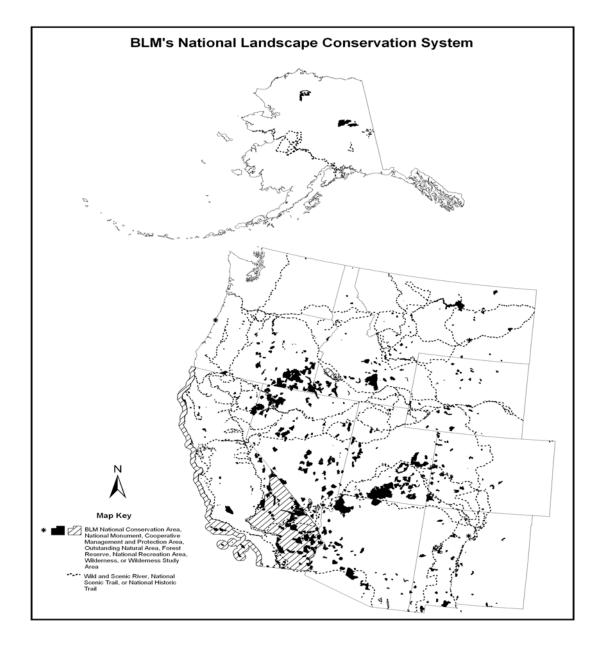
The fourth area of emphasis in the BLM's long-term budget strategy is the Protection and Preservation of Heritage and Cultural Resources. The 2006 budget requests an additional \$1.0 million to improve law enforcement, primarily at areas in the Four Corners region that receive high visitation or that possess resources requiring special protection. The 2006 budget also provides for continued emphasis at units of the National Landscape Conservation System.

Law Enforcement - The BLM is requesting an additional \$1.0 million in 2006 to hire new law enforcement officers and to fund agreements with State and local agencies to protect resources, public land visitors, and Bureau employees. The additional funds will be directed to the Four Corners area of Arizona, Utah, Colorado and New Mexico, to improve the BLM's on-the-ground ranger presence, and to investigate and prosecute traffickers of cultural and historical resources. Partnerships with State and local agencies will play an important role in meeting the need to protect resources in this region. Protection of lives, resources, and property from activities related to illegal smuggling of drugs and immigrants at borderland locations will be enhanced by increased on-the-ground presence and investigative support. Cooperation with other Federal agencies in the States of California, Arizona, New Mexico, Montana, and Washington will further investigation efforts, which will allow BLM to leverage the additional requested funds with other law enforcement resources.

National Landscape Conservation System – Lands managed by the BLM include a system of spectacular landscapes designated for special management by Congress and the President. These special areas are managed as the BLM's National Landscape Conservation System, under the guidance of the laws that designated them, and the multiple-use mandates of the Federal Land Policy and Management Act. The BLM faces a number of immediate management challenges in the most recently designated National Conservation Areas, National Monuments, Wilderness, Wild and Scenic Rivers and National Historic Trails. They include responding to rapid increases in recreational visitation; protecting archeological, historical, paleontological, and biological resources; directing off-highway vehicles to roads and trails designated for their use; and restoring, conserving, and interpreting the outstanding values of these landscapes. The system includes the following units designated because of their unique natural, cultural, historic, or scientific values:

- 5,400 miles of National Scenic and Historic Trails (more than any other agency), operates seven trail-related visitor centers, and administers three trails for the Secretary of the Interior. Balancing trail protection with the ever-increasing need for resource development is a top priority in 2006, as well as working with non-profit organizations dedicated to the management of national trails.
- 38 Wild and Scenic Rivers (20% of the WSR System), covering 2,000 miles. Priorities in FY 2006 include educating various publics about water resources, implementing comprehensive management plans and agreements, enhancing river permit systems through partnerships, restoring watersheds, monitoring and improving water quality, managing conflicting uses, maintaining critical species habitats, stabilizing and restoring stream banks, and continuing interagency collaboration and consistency.
- 7.2 million acres of Congressionally designated Wilderness in 175 areas. Congress directed the protection of these lands. BLM accomplishes this task through the Wilderness Management subactivity.

Cooperative Management and Protection Area, a Forest Reserve and an Outstanding Natural Area. Each has specific legal mandates for conservation and management established by Congress or the President. The BLM is developing community-based land use plans for each area. Implementing these plans and the decisions developed collaboratively with local communities, tribal governments and the public requires innovative and cooperative solutions. Advisory Councils for nine of these areas advise the BLM on management issues. In other places, the BLM is using Resource Advisory Councils to facilitate coordination with local interests. In addition, each of these areas has or is establishing a friends group. In 2006, the BLM will continue to strengthen visitor information and safety, protect fragile resources, and expand the application of scientific research to better understand the social and economic benefits each of these areas provide to local communities.



The following table shows projected funding at NLCS units in 2005 and 2006.

	llowing table shows projected funding							J 2	.000.				
	NATIONAL LANDS	CAP	CONSE	R۷		TEN	1						
					FY 2005					_	2006 (1)		
State	Unit Name	PI	-Time lanning -unds		Base Operation Funds		Total		1-Time Planning Funds	0	rojected peration		Total
	Special Conservation Designation			h		or ti	ha Preside	nt (III	creases		
AK	Steese NCA	\$	-	\$	468		468	\$	-	\$	210	\$	678
	White Mountains NRA	\$	-	\$	855	\$	855	\$	-	\$	73	\$	928
	Subtotal	\$	-	\$		\$	1,323	\$	-	\$	283	\$	1,606
AZ	San Pedro RNCA	\$	344	\$	991	\$	1,335	\$	-	\$	- 470	\$	991
	Gila Box RNCA Las Cienegas NCA	\$	-	\$	618 524	\$	618 524	\$	-	\$	170	\$	788 524
	Agua Fria NM	\$	434	\$	543	\$	977	\$	250	\$	73	\$	866
	Grand Canyon- Parashant NM	\$				\$	1,201	\$	400		135	\$	1,191
	Ironwood Forest NM	\$	595	\$	490	\$	1,085	\$	500	\$	-	\$	990
	Vermilion Cliffs NM	\$	- 705	\$	392	\$	392	\$	-	\$	20	\$	412
	Sonoran Desert NM Subtotal	\$	795 2,713	\$	385 4,599	\$	1,180 7,312	\$	855 2,005	\$	398	\$	1,240 7,002
CA	California Desert CA	\$			861	\$	1,056	\$	- 2,005	\$	-	\$	861
OA.	King Range NCA	\$	60	\$	788	\$	848	\$	-	\$	216	\$	1,004
	California Coastal NM	\$	50	\$	175	\$	225	\$	-	\$	55	\$	230
	Santa Rosa-San Jacinto Mts NM	\$	-	\$	1,094	\$	1,094	\$	-	\$	33	\$	1,127
	Carrizo Plain NM	\$	-	\$	1,248	\$	1,248	\$ 6	-	\$	38	\$	1,286
	Headwaters FR Subtotal	\$	305	\$	1,183 5,349	\$	1,183 5,654	\$	-	\$	20 362	\$	1,203 5,711
CO	Gunnison Gorge NCA	\$	-	\$	893	\$	893	\$	-	\$	130	\$	1,023
	McInnis Canyons NCA	\$	-	\$	798	\$	798	\$	-	\$	25	\$	823
	Canyon of the Ancients NM	\$	547	\$	1,045	\$	1,592	\$	96	\$	70	\$	1,211
	Subtotal	\$	547	\$	2,736	\$	3,283	\$	96	\$	225	\$	3,057
ID	Birds of Prey NCA Craters of the Moon NM	\$	97 40	\$	709 542	\$	806 582	\$	443	\$	135 119	\$	1,287 661
	Subtotal	\$	137	\$		\$	1,388	\$	443	\$	254	\$	1,948
MT	Upper Missouri River Breaks NM	\$	625	\$	1,585	\$	2,210	\$	624	\$	105	\$	2,314
	Pompeys Pillar NM	\$	-	\$	525	\$	525	\$	-	\$	10	\$	535
	Subtotal	\$	625	\$	2,110	\$	2,735	\$	624	\$	115	\$	2,849
NM	El Malpais NCA	\$	-	\$	665	\$	665	\$	-	\$	-	\$	665
	Kasha-Katuwe Tent Rocks NM Subtotal	\$ \$	84 84	\$	280 945	\$	364 1,029	\$	-	\$	-	\$ \$	280 945
NV	Red Rock Canyon NCA	\$	-	\$	382	\$	382	\$	-	\$	-	\$	382
	Black Rock Desert High Rock Canyon Emigrant Trails NCA	\$	-	\$	1,152	\$	1,152	\$	-	\$	-	\$	1,152
	Sloan Canyon NCA	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
0.0 (0)	Subtotal	\$	-	\$		\$	1,534	\$	-	\$	-	\$	1,534
OR (3)	Steens Mountain CMPA Cascade-Siskiyou NM	\$	265 130	\$	1,208 1,027	\$	1,473 1,157	\$	-	\$	150 33	\$	1,358 1,060
	Yaquina Head ONA	\$	-	\$	346	\$	346	\$	-	\$	-	\$	346
	Subtotal	\$	395	\$	2,581	\$	2,976	\$	-	\$	183	\$	2,764
UT	Grand Staircase-Escalante NM	\$	-	\$	5,052	\$	5,052	\$	-	\$	55	\$	5,107
NCA/NM .		\$	4,806	\$		\$	32,286	\$	3,168	\$	1,874	\$	32,522
AK	National Scenic (NS	•	National				IT) 165	ሰ		¢.	1.1	ď	179
AZ	San Juan Bautista de Anza NHT	\$	-	\$	165 42	\$	42	\$	-	\$	14 18	\$	60
CA	Pacific Crest NST	\$	-	\$	90	\$	90	\$	-	\$	-	\$	90
	California NHT	\$	-	\$		\$	20	\$	-	\$	-	\$	20
	San Juan Bautista de Anza NHT	\$	-	\$		\$	14	\$	-	\$	10	\$	24
	Old Spanish NHT	\$	-	\$	15		15	\$	-	\$	- 10	\$	15
ID	Subtotal Continental Divide NST	\$	-	\$	139 35		139 35		-	\$	10 -	\$	149 35
.5	Lewis and Clark NHT	\$	-	\$			486		-	\$	150	\$	636
	California NHT	\$	-	\$	2	\$	2	\$	-	\$	-	\$	2
	Oregon NHT	\$	-	\$	4		4		-	\$	50		54
	Nez Perce NHT	\$	-	\$	23 550		23		-	\$	90		113
MT	Subtotal Continental Divide NST	\$	-	\$	10		550 10	\$	-	\$	290	\$	840 10
1011	Lewis and Clark NHT	\$		\$			1,332			\$		\$	1,340
	Nez Perce NHT	\$	-	\$	20	\$	20	\$	-	\$	-	\$	20
	Subtotal	\$	-	\$	1,362		1,362	\$	-	\$		\$	1,370
NM	Continental Divide NST	\$	-	\$	10		10	\$	-	\$	96	\$	106
	El Camino Real de Tierra Adentro NHT Old Spanish NHT	\$		\$	268 50		268 50	\$	-	\$	40 -	\$	308
	Subtotal	\$	-	\$	328		278	\$	-	\$		\$	414
NV	Pony Express NHT	\$	-	\$	31	\$	31	\$	-	\$	-	\$	31
	California NHT	\$	-	\$			111		-	\$	-	\$	111
	Subtotal	\$	-	\$	142	\$	142	\$	-	\$	-	\$	142

	2005-2006 FUNDIN												
	NATIONAL LAND	SCAPE	CONSE			TE	М	_			(0000 (4)		
1					FY 2005					_	2006 (1)		
State	Unit Name	Pla	Time anning unds	C	Base Operation Funds		Total		1-Time Planning Funds	0	rojected peration ocreases		Total
OR	Pacific Crest NST	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
	California NHT	\$	-	\$	5	\$	5	\$	-	\$	-	\$	5
	Oregon NHT	\$	-	\$	140	\$	140	\$	-	\$	-	\$	140
	Subtotal	\$	-	\$	145	\$	145	\$	-	\$	-	\$	145
UT	Pony Express NHT	\$	-	\$	90	\$	90	\$	-	\$	-	\$	90
	Old Spanish NHT	\$	-	\$	37	\$	37	\$	-	\$	-	\$	37
	California NHT	\$	-	\$	25	\$	25	\$	-	\$	-	\$	25
	Subtotal	\$	-	\$	152	\$	152	\$	-	\$	-	\$	152
WY	Continental Divide NST	\$	-	\$	60	\$	60	\$	-	\$	-	\$	60
	Pony Express NHT	\$	-	\$	-	\$	-	\$	-	\$	16	\$	16
	California NHT	\$	-	\$	-	\$	-	\$	-	\$	16	\$	16
	Oregon NHT	\$	-	\$	-	\$	-	\$	-	\$	16	\$	16
	Nez Perce NHT	\$	-	\$	-	\$	-	\$	-	\$	16	\$	16
	Mormon Pioneer NHT	\$	-	\$	129	\$	129	\$	-	\$	16	\$	145
	Subtotal	\$	-	\$	189	\$	189	\$	-	\$	80	\$	269
NSHT Sub		\$	-	\$	3,214	\$	3,164	\$	-	\$	556	\$	3,720
			nic River	_									
AK	Beaver Creek WSR	\$	-	\$	138	\$	138		-	\$	-	\$	138
	Birch Creek WSR	\$	-	\$	31	\$	31	\$	-	\$	-	\$	31
ĺ	Delta WSR	\$	-	\$	254	\$	254	\$	-	\$	-	\$	254
	Fortymile WSR	\$	-	\$	22	\$	22	\$	-	\$	329	\$	351
	Gulkana WSR	\$	-	\$	649	\$	649	\$	-	\$	-	\$	649
ĺ	Unalakleet WSR	\$	-	\$	76	\$	76	\$	-	\$	-	\$	76
	Subtotal	\$	-	\$	1,170	\$	1,170	\$	-	\$	329	\$	1,499
CA	North Fork American WSR	\$	-	\$	45	\$	45	\$	-	\$	-	\$	45
ĺ	Eel (Middle Fork) WSR	\$	-	\$	10	\$	10	\$	-	\$	-	\$	10
	Klamath WSR	\$	-	\$	1-1	\$	-	\$	-	\$	-	\$	-
	Trinity WSR	\$	-	\$	20	\$	20	\$	-	\$	-	\$	20
	Tuolumne WSR	\$	-	\$	10	\$	10	\$	-	\$	-	\$	10
	Merced WSR	\$	-	\$	50	\$	50	\$	-	\$	-	\$	50
	Subtotal	\$	-	\$	135	\$	135	\$	-	\$	-	\$	135
MT	Upper Missouri WSR	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
NM	Rio Grande WSR	\$	-	\$	895	\$	895	\$	-	\$	-	\$	895
ĺ	Rio Chama WSR	\$	-	\$	205	\$	205	\$	-	\$	-	\$	205
1	Subtotal	\$	-	\$	1,100	\$	1,100	\$	-	\$	-	\$	1,100
OR (3)	Rogue WSR	\$	-	\$	691	\$	691	\$	-	\$	30	\$	721
	North Fork Owhyee WSR	\$	-	\$	4	\$	4	\$	-	\$	-	\$	4
	Owhyee WSR	\$	490	\$	199	\$	689	\$	1,000	\$	-	\$	1,199
	West Little Owhyee WSR	\$	-	\$	61	\$	61	\$	-	\$	-	\$	61
ĺ	North Fork Crooked WSR	\$	-	\$	30	\$	30	\$	-	\$	-	\$	30
ĺ	Crooked (Middle & Lower) WSR	\$	-	\$	68	\$	68	\$	-	\$	-	\$	68
ĺ	Deschutes (Middle & Lower) WSR	\$	-	\$	326	\$	326	\$	-	\$	-	\$	326
	Clackamas WSR	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
	Grande Ronde WSR	\$	-	\$	196	\$	196	\$	-	\$	7	\$	203
	John Day (Main Stem) WSR	\$	445	\$	360	\$	805	\$	600	\$	-	\$	960
	South Fork John Day WSR	\$	-	\$	97	\$	97	\$	-	\$	-	\$	97
ĺ	North Umpqua WSR	\$	-	\$	75		75	\$	-	\$	-	\$	75
ĺ	Powder WSR	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
ĺ	Quartzville Creek WSR	\$	-	\$	35	\$	35	\$	-	\$	-	\$	35
i	Salmon WSR	\$	-	\$	144		144	\$	-	\$	-	\$	144
i	Sandy WSR	\$	-	\$	5	\$	5	\$	-	\$	-	\$	5
i	White WSR	\$	-	\$	25	\$	25	\$	-	\$	-	\$	25
i	Klamath WSR	\$	95	_	149	\$	244	\$	50	\$	-	\$	199
i	Wallowa WSR	\$	-	\$	26	\$	26	\$	-	\$	-	\$	26
i	Elkhorn Creek WSR	\$	-	\$	5	\$	5	\$	-	\$	-	\$	5
ł	Donner und Blitzen WSR	\$	-	\$	95		95	\$	-	\$	-	\$	95
ł	Wildhorse Creek WSR	\$	-	\$	83		83	\$	-	\$	-	\$	83
ł	Kiger Creek WSR	\$	-	\$	81	_	81	\$	-	\$	-	\$	81
	Subtotal WSR	\$	1,030	\$	2,755	\$	3,785	\$	1,650		37	\$	4,442
WSR Subt		\$	1,030		5,160		6,190		1,650		366		7,176
			E 026		2E 0E4			674				· ·	12 110
NLCS Total Footnotes		\$	5,836	Þ	35,854	Þ	41,640	Þ	4,818	Þ	2,796	φ	43,418

3 Includes both MLR and O&C funding.

Includes preliminary FY 2006 project selections and funding amounts.
 These special designations include: NCA - National Conservation Area, NRA - National Recreaton Area, RNCA - Riparian National Conservation Area, NM - National Monument, CA - Conservation Area, FR - Forest Reserve, CMPA - Cooperative Management and Protectio Area, ONA - Outstanding Natural Area

Crosscutting Programs of Special Interest

Uncontrollable Costs: the Hidden Cost of Doing Business - BLM proposes a 2006 increase of \$31.9 million for uncontrollable costs, which includes a Federal employee pay raise of 2.3 percent and increased costs for health insurance and retirement benefits. This request fully funds projected changes in fixed costs. Absorbed costs in past budgets have increased because pay increases for Federal employees have been greater than projected in our budget requests, because health care costs have increased faster than anticipated, and because BLM's contributions to retirement earnings (the Thrift Savings Plan) have increased with the conversion of employees from the CSRS to the FERS retirement systems. The effect of absorbing fixed cost changes has varied from program to program, but has resulted in the decline in some programs accomplishments, especially inventories, assessments, and monitoring. Since BLM's programs will not have to absorb any fixed costs in 2006, the agency does not anticipate any reduction in program capability.

Land Use Planning — Accurate, up-to-date land use plans are integral to the effective management of the Nation's public lands because plan decisions are the basis of every action the BLM implements. Since Congress approved an initiative to overhaul the BLM's RMPs in 2001, the Bureau has completed 29 major resource management plans, plan revisions, and major amendments, and over 70 plans are underway in the Bureau's 12 State Offices. Time sensitive plans - addressing high priority issues such as the President's National Energy Policy; fire and fuels management; public health and safety; management of national monuments and conservation areas; and legally or legislatively mandated time frames - are the most critical of the BLM's current land use planning efforts. Of the original 21 TSPs, 13 have been completed and three are nearing completion.

The BLM is piloting a budgeting process that establishes a standardized method for evaluating the implementation needs and funding requirements of the Bureau land use plans. Land use planning supports all of BLM's emphasis areas. This process is currently being used in the following three pilot areas: Las Cienegas, AZ; Lakeview, OR; and, Farmington, NM. This process focuses on the following three components in developing the budget needs for a planning unit:

Step 1. Identify Priority Workloads

- Agree on major categories of work.
- o Delineate major workloads and projects within categories.
- o Outline dependencies among workloads and projects.
- Identify potential partners and funding sources.
- o Agree on 3-5 priority work projects.

Step 2. Develop Funding Strategies

- Estimate costs for priority workloads.
- o Identify internal/external funding sources.
- Develop internal/external communications strategy.
- o Adjust allocations and seek additional resources.

Step 3. Explore Alternative Ways of Engaging Partners

- o Identify community capacity, scale, and legal arrangements.
- o Determine if there are generic models.
- o Develop protocols for managing plan implementation.

Observations on the process based on current applications. The planning/budgeting pilot process:

- $_{\odot}$ Builds on existing field office capacity.
- o Integrates program out-year project planning.
- o Highlights field funding needs.
- o Creates a potential tie with work force planning.
- o Engages partners in plan implementation.
- o Implements plans systematically.

Monitoring - Over the last 30 years, increasing scientific and public concern about the condition of the Nation's natural resources has led the Congress to enact a number of laws to protect individual natural resources on both Federal and non-Federal lands. These laws regulate air and water quality, preserve and protect animal and plant species, and protect cultural and paleontological resources. Most RMPs less than 15 years old include a monitoring plan, which primarily addresses the progress towards achieving LUP goals and objectives, and the tracking over time of the status of established local, regional, or national, social, economic, and environmental indicators. Many older LUPs did not incorporate a monitoring plan, so monitoring plans were developed at a later time. The BLM uses monitoring information to assess and evaluate whether decisions are having the expected effect on the condition of the land resources and whether the land allocations are appropriate for sustained use of public land resources. The Bureau also monitors authorized resource uses to determine whether the uses are in compliance with laws and permit stipulations.

A key aspect of the Bureau's Resource Management Planning program will be the development of a National Monitoring (PART) Strategy to improve the efficiency and effectiveness of the Bureau's monitoring efforts, which was an outcome of an Administration Program Assessment Rating Tool evaluation conducted in 2003. The Strategy is a multi-scale, multi-year initiative to integrate and enhance the Bureau's on-going program- specific monitoring activities. Congress provided an additional \$1.5 million to develop this strategy in 2005, and the BLM expects to develop protocols and prototypes at the local, regional, and national level in the first phase of implementing the strategy.

Offsetting Program Reductions

<u>Southern Nevada Public Land Management Act</u> – The Budget proposes to amend the Southern Nevada Public Land Management Act (P.L. 105-263) to return 70 percent of the receipts from land sales under the Act to the Treasury. The Act, as amended by P.L. 107-282, authorizes the disposal through sale of approximately 49,000 acres of Federal land in Clark County, Nevada. Five percent of the proceeds are provided to the State of Nevada for use in the State's general education program, and 10 percent are provided to the Southern Nevada Water Authority for water treatment and transmission facility infrastructure in Clark County.

The remaining 85 percent of funds are deposited in a special account to be used to acquire environmentally sensitive lands in Nevada; make capital improvements to areas administered by NPS, FWS, USFS, and BLM in Clark County; develop a multi-species habitat plan for Clark County; develop parks, trails, and natural areas and implement other conservation initiatives in the county; and reimburse the BLM for costs incurred in arranging sales and exchanges under the Act.

The receipts generated by these land sales have been many times higher than anticipated when the Act was passed. Beginning in 2006, 70 percent of all revenues from these lands sales would be returned to the Treasury, and the percent of receipts deposited in the special account would be reduced to 15 percent. The proposal would not change the amount of revenue currently provided to State and local entities, only the portion dedicated to Federal spending in Nevada. When SNPLMA was originally passed, proceeds from land sales under the bill were estimated at roughly \$70 million per year. These sales are expected to generate \$1.2 billion in 2005. The Budget proposal serves the general taxpaying public while still providing about four times the level of spending in Nevada as originally anticipated in 1998.

Wild Horses and Burros – The BLM has taken a number of steps to improve its ability to place animals in good homes and will continue to work toward program efficiencies. Some of these are hiring a national marketing director; working with the National Wild Horse and Burro Foundation to identify additional markets and to promote new ways to market the image of wild horses and burros; and increasing the number of trained animals through contracting. In the past, BLM has reduced unit costs for gathers and adoptions. The BLM believes it can bring about cost reductions in the overall program by placing more animals in good homes, reducing the number of animals in long term holding facilities, and gaining more program efficiencies. Each animal in the BLM's long term holding facilities costs approximately \$500 per year. Between FY2003 and FY2004 (the last year Activity Based Costing data is available) BLM reduced its adoption unit cost from an average of \$1,451 per animal to \$1,209 per animal while adopting 336 more animals. BLM believes that some additional reduction in unit cost may still be realized and adoption numbers should increase. The BLM expects to reduce the number of animals in long term holding facilities in FY2005. If BLM can reduce that number by 5000 head, this along with anticipated program efficiencies, should result in a budget need in FY2006 that is approximately \$2,500,000 less than the FY2005 figure.

Range Improvement Fund - The budget proposes to eliminate this \$10.0 million fund in 2006 by amending the legislation that mandates spending on range improvements. The budget proposes to eliminate the Rangeland Improvements Fund in 2006. The Administration will submit legislation to amend Federal Land Policy Management Act to direct that the 50 percent of grazing fees currently deposited in the Range Improvement fund, i.e., the Federal share of such receipts, be deposited in the General fund of Treasury for deficit reduction. Elimination of this fund reduces mandatory spending in the overall Federal budget and helps support the Administration's deficit-reduction efforts. Projects formerly funded through the Range Improvement Fund will be funded with discretionary spending in the Bureau's Maintenance and Cooperative Conservation programs.

Applications of Science – The Applications of Science program was initiated in 2003 to assist BLM in using the best available data and science in their decision-making processes. In 2006, the BLM proposes to eliminate this \$1.0 million program in order to fund higher priorities. BLM will meet the requirements of the Data Quality Act through its Research and Development program, which supports improvements in organizational effectiveness, furthers the long-term goal of working with partners to identify scientific information needs, and then communicates these needs to research agencies, universities, and other non-governmental organizations.

Central Hazardous Materials Fund – The 2006 budget request proposes to transfer the \$9.8 million Central Hazardous Materials Fund to the Office of the Secretary. DOI's Office of Environmental Policy and Compliance will continue to provide policy oversight for the program, but in 2006 will begin managing the accounting for the program as well. The review and selection process for hazardous materials project funding will continue unchanged, with bureaus submitting projects for consideration by the Technical Review Committee. The DOI will be responsible for distribution of funding for selected projects to the appropriate bureaus, which will continue to perform the budgeting, financial, and project management operations for the projects under their responsibility.

Transfer of Base Funding for Office of Appraisal Services in DOI - On November 17, 2003, 31 BLM appraiser positions (Series 1171) were centralized to a new organization, the Office of Appraisal Services, within the DOI. Mineral and timber appraisers were not included in this transfer of appraisal to the new organization. The funds for the appraisers in this new organization were not permanently transferred to the DOI. Rather, the BLM and DOI entered

into a reimbursable support agreement through which BLM reimbursed DOI for the salaries of the appraisers.

In 2006, the BLM proposes the base transfer of \$3.1 million to the Office of Appraisal Services in the Department. This includes transfers of \$2.3 million from the Management of Lands and Resources account, \$172,000 from the O&C Grant Lands appropriation, and \$641,000 from the Land and Water Conservation Fund appropriation. This transfer of funding will eliminate the continual administrative requirements for request and payment of funding between the organizations. The Office of Appraisal Services will have a continual funding source that will enable it to budget based on performance and program requirements. Transfer of this funding to this centralized organization will not reduce the BLM's capability to meet its performance targets within the realty and land acquisition programs.

Appraisal services provided by the Office of Appraisal Services for actions related to the Southern Nevada Public Land Management Act will continue to be billed directly to the BLM using the present reimbursement method.

Wildland Fire Management – As discussed above, the budget for Wildland Fire Management includes increased funding for fire readiness, suppression operations, aviation expenses, and fuels treatments. Offsetting those reductions are decreases of: \$2.5 million for the LANDFIRE project, reflecting a one-year spike in project funding in 2005 that was used for data acquisition and modeling work to support the accelerated development schedule; \$4.4 million for fire facilities; and \$1.9 million for the Joint Fire Science program.

The 2006 budget also reflects the elimination of Interior's \$9.9 million pilot Rural Fire Assistance program. The budget assumes that financial and technical assistance provided by the much larger Forest Service and Federal Emergency Management Agency fire assistance programs will satisfactorily address the highest priority equipment and basic training needs of local fire departments.

Reductions from Improved Efficiency of Operations - The BLM has been a leader in the Department in providing its employees with analytical tools and will be the largest Bureau to deploy and implement the Financial Business Management System in FY 2006. Budgets are managed by analyzing the demand for products and services and then balancing BLM's appropriations request to respond to these demands. BLM is continuing efficiencies from 2004 and 2005 and developing new strategies to be even more efficient in 2006 and beyond. As a result, the BLM is able to propose \$3.0 million in program reductions in Bureau-wide travel, Administration Support, supplies and materials, and narrowband radio costs.

The BLM expects to continue to reduce travel costs in 2006 by limiting travel and by increasing the use of video and teleconferences. In 2006, the Administrative Support program will continue to use activity-based cost data to determine the actual costs of procurement systems furniture, IT hardware/software, and other supplies and services. These administrative streamlining initiatives have provided savings from new BLM-wide, DOI-wide, and Government-wide contracts negotiated by the BLM National Business Center. BLM believes it can achieve an additional \$1.7 million in savings from these initiatives in 2006. BLM anticipates savings from Federal Supply Schedule Blanket Purchase Agreements with Dell, Micron and Gateway. Additional discounts resulted from reduced GSA Schedule Prices (Gateway offered discounts from GSA prices). BLM has also saved money by using GSA contracts on fencing materials, cattle guards, cadastral survey monuments, and information handling services.

The BLM will also realize significant cost savings – estimated at \$1.3 million - because of the completion of the transition of radios from wideband to narrowband technology. Additionally, narrowband radio replacement and maintenance costs will be lower. Government-wide contracts are in place that will offer savings within the narrowband radio program because prices are at or below GSA schedule prices and less expensive for quantity orders. The contracts offer an extended warranty for software/firmware, which is for three years and includes all upgrades.

IMPROVING EFFICIENCY AND CUTTING COSTS

BLM's Implementation of the President's Management Agenda

The President's Management Agenda is based on the principles that government should be citizen centered, results oriented, and market based. In May 2001, the Secretary of the Interior issued a document that further outlined this agenda as it applies to the Interior Department: "Interior's Management Challenge for Citizen-Centered Governance." There are five components of the management reform initiatives outlined in both documents.

Strategic Management of Human Capital - The BLM completed a comprehensive workforce plan in 2003 and is presently updating this plan for the period 2005 through 2009. The BLM's workforce planning effort is aimed at ensuring that the BLM has "the right people with the right skills in the right locations at the right time" to successfully accomplish mission requirements. The BLM will pursue this goal through continuous workforce planning that uses a blend of skills acquisition and developmental approaches. The BLM expects to lose more than 160 skilled employees through voluntary retirement in 2005 and nearly 40 percent of the BLM's workforce will be eligible for retirement by 2008. BLM expects to replace these potentially lost skills and knowledge, in part, through the agency's ongoing implementation of the Competitive Sourcing initiative. The BLM's human resource plan also provides placement and retraining services to employees adversely affected by competitive sourcing decisions.

During 2004, the BLM improved its integration of budget and workforce planning by improving the definition of work requirements for workforce planning and improving workforce costs for inclusion in the budget process. BLM has also enhanced succession planning for key management positions by establishing a more structured potential candidate pool with more targeted development of skills.

Competitive Sourcing – President Bush has challenged agencies throughout government to improve service to the public and to accomplish their work in the most cost-effective way. Under the Federal Activities Inventory Reform Act, Federal agencies are directed to annually inventory all work activities performed by their employees and to determine how many of those activities are "commercial" and how many "inherently governmental." OMB, in turn, is required to consult with each agency regarding its inventory. Upon completion of this review and consultation, the agency must transmit a copy of the inventory to Congress and make it available to the public. The current BLM inventory identifies approximately 3,000 Full-time Equivalent positions located across the country that were performing activities also provided by commercial enterprises.

To evaluate these positions, OMB has required agencies to submit plans reflecting the commercial activity studies that will be conducted in the 2005-2008 time period. In 2003, the BLM conducted 46 Express Reviews involving 217 Full-time Equivalent positions and one

standard study involving 174 FTEs on the commercial activity that includes maintenance, repair, alteration, and minor construction of real property. Funding for these studies was provided out of base resources in the annual maintenance subactivity, and represents an investment in future long-term savings and program effectiveness. The Federal government has achieved savings of \$726,156 as a result of BLM's direct conversions of 46 FTEs in 2002 and 2003. Additionally, BLM estimates it will save \$1.8 million annually in labor and equipment efficiencies when the agency implements the Most Efficient Organization (MEO) proposal, which resulted from our standard study of the maintenance activities in Washington and Oregon.

In 2004, the BLM conducted a streamlined study involving 11 FTEs in the Mapping activity at the National Science and Technology Center in Denver. BLM retained the work in-house and estimated annual savings from the new MEO should be \$420,000 starting in 2005. For 2005, the BLM received \$562,000 for contract study support and national program manager support. This should allow the agency to continue its national program support and conduct preliminary planning and/or competitive sourcing studies on an additional 80 to 100 FTE. For 2006, the BLM will continue to budget \$562,000 to ensure that it can achieve its Competitive Sourcing Green Plan goals by conducting preliminary planning and/or competitive sourcing studies on up to 150 FTE.

Expanded Electronic Government - With the growth of the Internet and use of personal computers in over 75 percent of all homes in the United States, expectations of BLM employees, citizens, and businesses that conduct transactions with the BLM have changed significantly. Customers are simply seeking the best information and service delivery possible in the fastest possible time. To assure that the BLM is maximizing its investments to meet these expectations, the agency has established an E-Government Portfolio. This portfolio consists of projects that provide either: 1) on-line data to public and other governmental agencies, also known as "Information Dissemination," and/or 2) on-line transactional services to the public, also known as "Providing Services."

Within the President's proposed funding levels for the BLM's E-Government Portfolio, the BLM will be able to implement the Government-wide 'Quicksilver' initiatives, especially:

- "Recreation One-stop" to ensure that public expectations about the availability of recreation information are met;
- "Geospatial One-stop";
- "E-authentication," to strengthen physical security at BLM facilities and to enhance logistical security to BLM systems;
- E-Travel;
- Support to the DOI "volunteer.gov" effort;
- Lines of business to identify opportunities to implement E-Government principles and solutions within proposed funding levels;
- BLM's Revised Strategy for E-Government, which includes implementation of Eplanning, E-Forms, Web Business Process Re-engineering Implementation, the BLM "Virtual Public Room," and the Use Authorization System (previously known as the LR2000 Web Project).

Improved Financial Performance - The BLM has demonstrated an outstanding record in financial management by receiving ten consecutive unqualified ("clean") financial audit opinions. Key to the BLM's success has been the availability of timely and accurate financial information made available to all employees through the Bureau's Management Information System. The ability to link budget and performance through cost management and to access financial data in

real time has fostered a BLM-wide ethic of fiscal accountability. The BLM has also met or exceeded its goals under the *Prompt Payment Act*, as well as its goals to reduce or eliminate erroneous payments.

In 2006, as in 2005, the BLM will emphasize and assure:

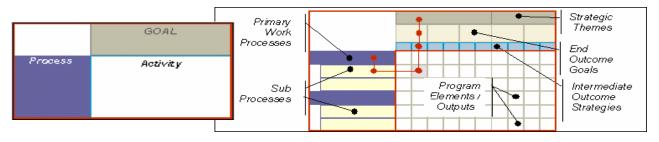
- Adequate internal controls on BLM financial systems;
- Compliance with accounting standards (Federal Accounting Standards Advisory Board);
- Accountability for undelivered order funds:
- Compliance with fiscal laws and regulations;
- Proper accounting, management, and maintenance of capital assets;
- Complete quarterly financial statements, including intra-governmental eliminations;
- Departmental system solutions to intra-governmental eliminations;
- Improved electronic data processing;
- Financial accountability at all levels of the organization.

Budget and Performance Integration – The President's Management Agenda calls on Federal agencies to better integrate performance measures into their decisions about budget allocations. The BLM implemented Cost Management (Activity Based Cost/Management (ABC/M)) in 2000 and now has 5 years of cost and performance data available in its Cost Management System (CMS). This information is used as a principal means to integrate budget and performance, and it is used in many other ways as well. BLM managers are able to understand the relationship between cost and workload; to forecast costs based on workload; to estimate accomplishments at different budget levels; to optimize operations by realigning workloads according to economies-of-scale; to understand what drives cost in the BLM and why; and to compare the cost of alternative actions. It provides program managers with information about the full and relevant costs of work processes and accomplishments and helps them answer the question "How much work are we getting for what we are spending?

All work in the BLM is described in terms of program elements (the activity part of ABC). All labor and operational costs are charged to program elements. Describing work in terms of program elements allows the BLM to show purchasing power in terms of outputs rather than the traditional financial accounting perspective of inputs based on budget object class data.

In 2004, the Interior Department rolled out a new Department-wide Strategic Plan, and BLM began its implementation of that plan by integrating its cost management program elements and work processes with the DOI End Outcome Goals and Intermediate Strategies. With the direct linkage between budget subactivity and program element that exists in BLM's cost structure and integration with the strategic plan, the critical linkages among budget, planning, cost, and performance were formed. Figure 1 shows this integration concept graphically as the BLM Strategic Matrix.

Figure 1 Strategic Matrix



In Figure 1, the DOI strategic themes, end outcome goals, and intermediate outcome strategies as they apply to BLM are identified on the horizontal axis of the matrix, and the BLM work processes are aligned along the vertical axis of the matrix. The cells of the matrix contain program elements which describe all the work that the BLM does as well as the outputs they produce. The program elements contained in each cell identify work that is specific to a strategy and goal. This is a simple concept, but when it is populated with actual data, it is a very powerful tool. For example, in Figure 2, below, we can see that BLM used about \$235.4 million or about 10.8 percent of its 2004 cost in support of Resource Protection, End Outcome Goal 1 (PEO.1), Improve the Health of Watersheds and Landscapes. We can also see that most of that money was used in support of work process 4d, Conserve Resources. What the American people got for that money was the inventory of almost 30 million acres of public land, the treatment and/or restoration of about one-half million acres, and monitoring or evaluation of just under 1 million acres. We also developed 296 activity plans and maintained 131 dams. About 65 percent of the 2004 cost for improving landscapes and watersheds was for land treatments and/or restoration projects.

Figure 2
Strategic Matrix Showing Actual 2004 Costs

	_	Reso	urce Prote				Resour				Recre		Serving Communities	Total
		PEO.1	PEO.2	PEO.3	UEO.1	UEO.2	UEO.3	UEO.4	UEO.5	UEO.6	REO.1	REO.2	SEO.1	
	1 a	\$14,987 0.69%	\$87 0.00%	\$13,478 0.62%	\$2,181 0.10%			\$5,505 0.25%			\$6,752 0.31%		\$95,171 4.36%	\$138,159
	1 b						\$19,922 0.91%						\$835 0.04%	\$20,757
1	1 c												\$22,087 1.01%	\$22,087
2	2a	\$13,020 0.60%	\$45,140 2.07%	\$5,079 0.23%		\$7,635 0.35%					\$3,483 0.16%		\$85,506 3.92%	\$159,863
	3a										\$33,616 1.54%			\$33,616
	3b												\$32,833 1.50%	\$32,833
3	3с												\$8,412 0.39%	\$8,412
	4a			\$9,257 0.42%	\$65,784 3.01%	\$110,846 5.08%	\$23,367 1.07%					23390.01 1.07%	\$35,053 1.61%	\$267,696
	4b			\$2,164 0.10%	\$29,580 1.35%	\$15,208 0.70%	\$5,993 0.27%					6926.003 0.32%	\$19,145 0.88%	\$79,016
	4c	\$1,147 0.05%					\$16,036 0.73%				\$131,087 6.00%		\$116,535 5.34%	\$264,805
→	4d	\$206,219 9.44%	\$48,713 2.23%	\$44,520 2.04%				\$45,275 2.07%					\$598,967 27.43%	\$943,693
4	4e								3114 0.14%	\$1,092 0.05%			\$208,845 9.56%	\$213,050
Subt	otal:	\$235,374	\$93,940	\$74,496	\$97,544	\$133,689	\$65,319	\$50,779	\$3,114	\$1,092	\$174,938	\$30,316	\$1,223,388	\$2,183,987
	5a	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
-		\$235,374	\$93,940	\$74,496	\$97,544	\$133,689	\$65,319		\$3,114	\$1,092	\$174,938	\$30,316	\$1,223,388	\$2,183,987
5	5b							\$0						
Grand	Total	\$2,183,987												

The data presented here is "bureau full cost" meaning that it includes both direct and indirect cost -- the full or total cost of the performance achieved. Most program elements are considered "direct" work activities and are associated with a unit of accomplishment, i.e., an "output". Other program elements such as work process 5a, Program Management, are also direct cost but they are not associated with a specific output. Rather, these costs are allocated to other program elements which do produce outputs. Yet another category of program elements, work process 5b, Sustaining the Organization, represent "indirect costs". These costs are also allocated to output producing program elements. This enables the BLM to understand

the full cost of doing business, full cost being defined as the sum of all costs both direct and indirect.

To carry this example one step further, we can also view this cost and performance data at any BLM organizational level. This is exemplified in Figure 3. Figure 3a shows the California State Office's contribution toward achieving our resource protection goals, and Figure 3b shows the contribution of the Alturas Field Office in Northern California. At the state level, about \$15 million in California's costs were associated with improving landscapes and watersheds. \$.7 million of that work was accomplished by the Alturas Field Office.

Figure 3 2004 Costs at Various Organizational Levels

Figure 3b Alturas Field Organization Figure 3a California State Organization rce Protecion Resource Use
PEO.2 PEO.3 UEO.1 UEO.2 UEO.3 UEO.4 UEO.5 UEO.6 PEO.1 PEO.2 PEO.3 UEO.1 UEO.2 UEO.3 \$50 \$2 0.07% \$1 0.03% \$2 0.07% \$73 \$809 0.63% \$8 \$1,252 0.01% 0.98% \$73 2.45% 1a 1b 1 b 1 c 2a 3с 3Ь \$152 \$28 0.94% \$15 0.50% 4a 1.20% 2.51% 1.01% \$470 \$69 2.31% \$13 \$1,457 1.14% \$578 0.45% \$305 0.24% \$1,517 \$645 \$813 \$416 \$21 \$12,907 10.09% \$2,631 \$69 \$1,121 \$73 \$3 \$2 Subtotal: \$721 \$71 \$4 \$2,717 \$0 Grand Total \$273 | \$64 | \$24 | \$14,208 | \$8,360 | \$66,373 | \$127,944 Subtotal: \$15,216 \$6,221 \$7,717 \$2,991 \$3,892 \$2,607 5h

				Resou	rce Prote	otecion						
		PEC).1	PE	D.2		PEO.3					
		PIO.1.1	PIO.1.2	PIO.2.1	PIO.2.2	PIO.3.1	PIO.3.2	P10.3.3				
	1 a	\$5,578 0.3%	\$9,409 0.4%	\$87 0.0%		\$6,191 0.3%	\$2,006 0.1%	\$5,281 0.2%				
1	1Ь											
	1 c											
2	2a		\$13,020 0.6%	\$45,140 2.1%			\$3,795 0.2%	\$1,284 0.1%				
	3a											
3	3Ь											
	3с											
	4a						\$9,257 0.4%					
	4b							\$2,164 0.1%				
4	4c		\$1,147 0.1%									
	4d	\$206,219 9.4%		\$19,279 0.9%	\$29,434 1.3%		\$40,435 1.9%	\$4,085 0.2%				
	4e											
s	ubtotal:	\$211,797	\$23,576	\$64,506	\$29,434	\$6,191	\$55,492	\$12,813				
	5a	\$0 0.0	\$0 \$0 \$ 0.0% 0.0% 0.		\$0 0.0%							
5	Subtotal:	\$235,	,374	\$93	,940		\$74,496					
	5b											
Gr	and Total											
_												

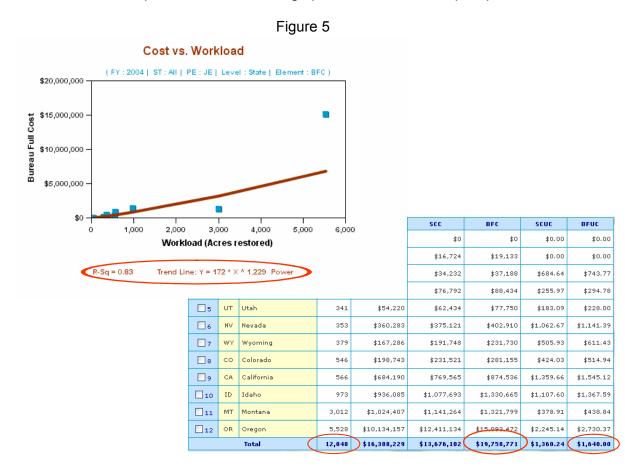
The above analysis is presented at a high level -- End Outcome Goal. This data is also readily available at the Intermediate Outcome Strategy level.

Next, we see yet another dimension of our integration. Under Resource Protection, End Outcome Goal 1 (PEO.1) we find two Intermediate Outcome Strategies (PIO.1.1 and PIO.1.2). BLM costs in 2004 were far greater in PIO.1.1, Restore and Maintain Function to Watersheds Proper Landscapes (\$212 million) than in PIO.1.2, Information Base, Information Management and Technical Assistance (\$24 million). This is to be expected because PIO.1.1 includes such activities as maintaining land health including fuels

reduction and air and water quality as well. In fuels reduction alone, the BLM invested about \$72 million in the treatment of more than one-half million acres.

The next step in integrating budget and performance is to develop the capability to predict future cost and the resulting budgetary needs based on past cost and performance. This can be done by looking for the expected. One would expect there to be a relationship between the *total cost* of producing a unit of work and the number of units that are produced. For example, notwithstanding the concept of economies of scale, we can expect the cost of treating or restoring 1000 acres of woodlands to have a total value greater than the cost of treating 100 acres. If we can find a strong relationship between total cost and how much of something is produced, then we can use that relationship to predict the cost of future work, i.e., the budgetary resources used to accomplish the work.

Figure 5 illustrates such a relationship for program element JE, Restore Forest and woodlands which is one of the components of work making up the cost in the examples presented above.



In 2004, the BLM spent almost \$20 million to restore a little more than 12,000 acres of forest and woodlands at a full unit cost of \$1, 640 per acre. At the state level, the unit cost ranged from \$295 per acre in New Mexico to \$2,730 per acre in Oregon. To determine the relationship, or correlation, among this data, we used regression analysis and found an R-Sq value of 0.83. An R-Sq value of 1.0 represents a perfect correlation. Our conclusion is that there is a good, strong relationship among this data and as the number of acres restored is increased the total

cost of restoration will increase according to the trend line formula. We can, therefore, use the regression formula to predict future budgetary needs.

We know that the cost of restoring 12,000 acres is \$20 million. But what is the cost of restoring 20,000 acres. We can see that the trend line in Figure 5 is not linear so it is not a straight line projection. The trend line formula is: Y = 171,605 * X ^ 1.229 power. The solution -- for BLM to restore 20,000 acres of forest and woodlands as defined by program element JE, it will cost \$33.2 million as shown in Figure 6. Figure 6 also tells us that about \$5.5 million, or 17 percent, of our bureau full cost is indirect cost and the remainder is direct cost. Because we have linked every cost transaction to the budget subactivity, we can also readily forecast the subactivity that should fund the \$27.7 million in direct cost, e.g., the how much should be O&C and how much should be MLR.

We can also see that \$171,605 of our costs is fixed cost and the remainder is variable. A fixed cost does not change with a change in the number of units produced while the variable cost does change -- it increases with each increased acre of restoration. In other words, the fixed cost will exist at each location where JE work is performed regardless of the number of acres restored at a given location.

Figure 6
Determining Budgetary Needs Based on Cost / Workload Relationships

Data for	Program Element	SCC Estim	SCC Estimate Break Down					
Estimated Cost:	\$33,235,557	State "A"		\$33,235,557 State "A"		0%		
Calculation:	\$33,235,557 = (\$172 *	State "P"	\$9,121,824	27%				
11-14	20,000 ^ \$1.23)	State Other Direct	\$18,613,501	56%				
Units:	20000	Total Direct	\$27,735,325	83%				
Measure:	Restore Forest and Woodlands through Sales	Indirect (State "X")	\$5,500,231	17%				
Best Fitting Trend:	Power	Total:	\$33,235,557	100%				
Trend Line Equation:	Y = 171,605 * X 1.229			-				

By examining each of the component parts (program elements) that make up PEO.1 as we have described here in our example, the BLM can forecast with statistical reliability the budgetary resources needed at various workloads. This example of the Bureau's budget and performance integration model is intentionally simplistic. It does not include all the tools that we employ -- and we are planning new features in 2005 including the integration of workforce data and customer survey data into the model to help us understand even better the cost of what we are providing to the public.

The BLM's 2006 Budget Justification continues to tie to Strategic Plan goals and performance measures by including specific examples of the use of performance data in the budget process. Emphasis in 2006 will be on: 1) transferring the performance function to the division of Budget for better integration of budget and performance, 2) setting performance measures at the beginning of the BLM's Planning Target Allocation process, which is six months earlier than in prior years, 3) integrating elements of the Strategic Plan into the 2007-2009 budget strategy to ensure budget and performance tools are used to meet funding and workload needs in the emphasis areas, and 4) implementing the FBMS.

BLM's Implementation of the Program Assessment Rating Tool

The Program Assessment Rating Tool (PART) is a systematic method of assessing the performance of program activities across the Federal government that is designed to improve program performance by linking performance to budget allocation decisions. For 2006, the BLM assessed all of its realty and land tenure programs, including implementation of the Land and Water Conservation Fund and the Southern Nevada Public Land Management Act.

Realty and Ownership (54% rating) – The PART analysis found a clear program purpose and design, and concluded that at the operational level, the program is relatively well-managed. However, the analysis suggested that BLM lacks adequate performance measures that focus on meaningful strategic outcomes. To remedy this, BLM has developed new measures and refined existing measures to improve the program's focus on performance and, in particular, on outcomes. The PART review concluded that BLM has not been adequately recovering the costs of processing certain realty actions for identifiable users, and this has contributed, in part, to a continuing backlog in processing use authorizations. BLM intends to address this by finalizing regulations to improve cost recovery within the realty program and allow for more timely response to public demand for use authorizations and other BLM actions.

The PART analysis concluded that the Alaska conveyance program operates under complicated and often conflicting statues, regulations, and case law, which has prevented the timely completion of land conveyances by BLM. In response to these findings, the BLM will work to implement recently enacted legislative changes to the Alaska conveyance program to reduce the cost of completing required conveyances and to speed up conveyances and the eventual completion of the program. The 2006 Budget assumes cost savings from these changes and reduces funding for conveyance activities accordingly.

Southern Nevada Public Land Management Act (42% rating) – The 2006 PART analysis gave BLM's SNPLMA program a high score in the area of program purpose and design, and found that the program as currently authorized has been fairly well-run. However, the PART identified a design flaw in the underlying legislation: receipts from the SNPLMA land sales have far exceeded the levels anticipated when the legislation was originally passed. The Administration's PART review determined that these funds are increasingly being directed to projects that are not federal priorities. In response to these finds, the budget proposes to redirect 70 percent of SNPLMA revenues to the Treasury, were land sale receipts have historically been deposited.

The Administration and BLM will also develop better performance measures for work that is funded through SNPLMA receipts. This will be done in coordination with other agency programs that conduct similar work.

Other Management Initiatives to Improve Efficiency and Cut Costs

Several other management reviews are designed to improve efficiency and reduce costs. Some of these reviews are conducted in response to legal mandates or executive branch policy. All are conducted with the intent to improve organizational efficiency and assure wise use of taxpayer resources.

Managing Information Technology – In 2006, the BLM will continue to refine processes in accordance with the Clinger-Cohen Act of 1996, Federal Information Security Management Act, Records Act, Freedom of Information Act, the President's Management Agenda, and other laws applicable to ensuring the safety, security, and protection of BLM's investments. The BLM will continue to develop and implement policy that ensures compliance with existing policies, laws,

and regulations. It will also continue to strengthen its relationship between the business and IT communities through education and by using decision support tools to achieve tighter integration of business initiatives under the Investment Management Process.

Additionally, the BLM will strive to achieve Information Technology Investment Management Stage Five for all investments. The BLM will improve its management and oversight of existing and planned contract support services to reduce possible redundancies and ensure that requirements are clear, concise, and valid prior to acquiring or renewing IT service contracts. Also, the BLM will continue to initiate, implement, and enforce quality-assurance and quality-control measures for its IT projects, services, and contracts.

The BLM will continue to provide a full range of cost-effective services: consolidating purchases, standardizing tools and desktop images, reducing multiple operating system platforms, analyzing and evaluating infrastructure, and researching new technologies. This includes providing expertise for BLM information technology initiatives, providing technical assistance and support to field office personnel on specific IT projects, processing the data needed to make decisions involving resources valued in the billions of dollars, providing Bureau-wide office-to-office electronic communications, and providing support for administrative and management activities.

The BLM will continue to document information technology plans under the Exhibit 53 and within the 2006 Budget Justifications. Some of the major initiatives include the Automated Fluid Mineral Support System, E-Authentication, E-Gov/Land Use Planning, Legacy Rehost 2000, Management Information System, National Integrated Land System, and the Wild Horse and Burro Program Information System.

The BLM will continue to manage and improve its Capital Planning Investment Control Process by conducting periodic assessments, providing assistance for the development of business cases, integrating capital planning with the budget process, and revising templates as needed. The BLM will continue to use the GAO's model of Select-Budget-Control-Evaluate to manage IT investments. Additionally, the BLM will continue to use the IT Spending Cap to control IT costs, project trends, and prioritize investments.

Capital Asset Planning – The BLM established its capital asset planning policy and guidance in accordance with the DOI and the OMB in 2002. During 2004, the BLM established an executive-level Construction Investment Review Board to meet DOI requirements for Capital Planning and Investment Control for assets other than information technology. The CIRB reviews, approves, and monitors projects that have a total cost of \$2.0 million or greater to assure that the investments reflect BLM management's priorities, support Bureau missions, and meet BLM standards for quality and cost effectiveness.

The implementation of the CPIC process allows the Bureau's executives to: 1) review and select capital construction projects proposed for funding during future budget years, and 2) monitor and, as necessary, direct any corrective actions to be taken on the ongoing projects. Major changes were made in BLM proposed construction and maintenance projects in 2004 as a result of CIRB deliberations. For 2005 and 2006, the CIRB is extending the CPIC process to cover additional information concerning life-cycle costing and the impact that new construction will have on the Bureau's limited annual maintenance funding.

Real Property Asset Management – During 2006, BLM will be implementing the Bureau-wide Real Property Asset Management Plan developed during 2005. A major part of the effort will be

to continue the condition assessment program for government facilities on the public lands. The condition assessment program for administrative sites and recreation sites, including buildings, will be in the second year of a five—year program, or Round 2. This work includes both comprehensive and annual condition assessments that are performed by a mix of government and contractor staff in order to gain program efficiencies. Condition assessments for roads will be comprehensive and performed by contractors using a methodology piloted during 2005. The roads methodology takes advantage of a sophisticated statistical validation to achieve maximum cost-effectiveness and meet scheduled completion dates in 2007. Condition assessments on trails, dams, and bridges, will continue during 2006. All condition assessments will include the development of current replacement value and the calculation of facility condition index.

The BLM will also continue to expand the use of capital planning and investment control for real property assets. The BLM's Investment Review Board will consider various prioritization methods, such as the facility condition index, health and safety impacts, and contributions to mission, when rating projects. Investment control will be extended beyond the Five-Year Plan for Deferred Maintenance and Construction to cover more generally the acquisition and creation of assets. Full use will be made of the business plans required by the BLM Real Property General Operating Procedures. It is the responsibility of each office planning or anticipating the acquisition of real property to develop a business plan that identifies the projected costs of the property, both initially and in the future. Some examples of long-term costs associated with real property include security, maintenance, utilities, and depreciation.

Major emphasis will continue to be on improving the BLM's annual maintenance program in order to keep facilities in good repair and prevent additions to the maintenance backlog. The BLM will be using the results of annual maintenance unit cost-factor studies to develop estimates of resource requirements for use in budget formulation and in distributing funding to the field locations. This will better match the available funding with the number, size, type and location assets operated and maintained by BLM. In addition, the BLM will continue to use the Facility Asset Management System to support BLM's maintenance programs throughout the Public Lands.

<u>Fleet Management</u> – In 2004, the Department began a collaborative initiative to improve fleet management, developed a strategic plan, and began to implement recommendations from a review of the program conducted by the Office of Inspector General. The initiative focuses on economic-based strategies, including implementation of life-cycle replacement schedules, disposal of underutilized vehicles and vehicles that have surpassed their lifecycle, use of fleet performance measures, energy-saving practices and expanded use of alternate-fueled vehicles, and expanded leasing. The Department-wide strategy for improved fleet management includes migrating fleet management programs to a more standardized operational model that promotes energy-saving technologies, the development of fleet composition baselines and multi-year plans, improved performance metrics that address efficiency and effectiveness, vehicle and motor pool sharing, and purchase and lease arrangements that consider seasonal workforces.

On an annual basis, Interior spends over \$160.0 million to operate and maintain its fleet of approximately 38,000 vehicles. Interior's improvement plan provides a goal for reduction to fleet expenditures of \$11 million in 2005 and an additional \$3.7 million in 2006.

For the third year in a row, the BLM has required detailed fleet plans from each BLM State office. The BLM has identified several fuel reduction strategies as part of its fleet plans. Initial numbers for 2004 indicate that, with the steps that were taken in 2004, fuel consumption has been reduced by 5 percent from 2003. The fleet plans as currently submitted indicate a

potential fuel reduction of 17 percent in the next five years. The BLM is optimistic that further reductions in fuel consumption can be attained with the availability of hybrid sport utility vehicles and the expanded markets of ethanol and bio-diesel.

Whenever possible, BLM's policy is to acquire more fuel-efficient vehicles, such as diesel, two-wheel drive and hybrid vehicles. In order to ensure a significant reduction in fuel consumption beginning in 2005, the BLM is establishing a standard that 20 percent of the long-term general purpose light-duty vehicles in each State or Center be two-wheel drive or hybrids.

Further steps being considered by the BLM Fleet strategy team include encouragement of increased development of bio-diesel and ethanol 85 fuel dispensing facilities and increased accountability of fuel costs at the field office level.

Space Management – Annually Interior spends \$300.0 million to lease space from the General Services Administration and others. Because of the long-term commitment contained in most leases, savings from this initiative will accrue to a large degree in future years. The 2006 budget assumes initial savings of \$6.3 million.

Recognizing the potential for improved effectiveness and efficiency in the management of space in the long-term, Interior and its bureaus are undertaking reforms in space management. These reforms, which are part of its Asset Management Plan under E.O. 13327, include a more centrally controlled process to manage space, multi-year planning to consolidate dispersed space and co-locate to promote interagency collaboration, and adoption of more equitable allocations of space that adhere to security and safety and health standards. Long-term benefits are expected to result from Interior's space management reform, which will utilize best practices now in place. Multi-year plans will be used to focus on improved effectiveness and efficiency in supporting bureau missions and guide future lease arrangements and the use of owned space in order to maximize consolidation and co-location. By strategically analyzing and planning space management needs and opportunities, the Department will also be able to consider workforce changes such as telecommuting, information technology solutions, and other factors in making future arrangements for facilities. Quickly adopting and rolling out the Smart Card as part of the E-Authentication E-Government initiative is another success story. The BLM has established standards and partnered across the Department and with the Forest Service, and most of the BLM has aggressively adhered to these standards. The use of office space standards and collocating where feasible exemplify ongoing success of Service First. The 2006 budget presumes that Section 330 of Public Law 106-291 dated 10/11/2000 which extended the Reciprocal Delegations of Authority between BLM and the FS through FY 2005 will be reauthorized. Some examples of success for Service First include improved customer service through shared information, greater efficiency through shared rental costs, and improved communications between the two agencies. The BLM will submit a legislative proposal to extend the authority to 2006 and beyond.

All BLM States annually update their Five-Year Statewide Space Plans which include a goal of collocating most of our facilities with Forest Service or other Federal natural resource agencies where possible. The BLM portion will be based on 200 square feet of useable space per person based upon actual FTE located at the office.

The future promises BLM participation in the Leadership in Engineering and Environmental Design projects, as well as continuing to include features such as voice-over IP and shared workstations that economically support a flexible workplace, avoid further costs, and promote savings while providing BLM employees up-to-date tools and healthy work environments to

accomplish the mission of the Bureau. Since LEED projects costs are based on a sliding scale, going further up the scale to Silver and Gold criteria increases the cost. The BLM will integrate workplace features into these projects to a greater degree as managers seek a higher rating. The BLM will also look into further space reductions to offset the greater costs at these facilities.

BLM's budgets for space have been flat or declining over the last decade, and this trend will continue into the foreseeable future. The Departmental Budget goal for 2006 is to achieve a two percent savings. Offices will bring their GSA leases in line with the Bureau standard this year. Opportunities for collocation where a space exceeds the Bureau standard must be accomplished during this fiscal year. The Bureau will continue to move leasing projects from GSA to BLM to save eight percent or more in markup.

Use Authorization Reviews - BLM also reviews processes in order to be more efficient. In 2004, the BLM initiated a review of Use Authorizations across five programs: Oil and Gas, Solid Minerals, Recreation, Grazing, and Realty. The review was conducted by five teams made up of representatives from the Washington Office Headquarters, State Offices, and Field Offices. The objective of the review was to critically scrutinize how BLM authorizes uses Bureau-wide. The major focus of the review was cost information as an integrated component of program performance and developing alternatives for optimizing both cost and program performance. Findings and recommendations emanating from the use authorization review will be one of the factors considered in shaping budget allocations, program delivery, and certain business processes for 2005 and beyond. This review is currently approximately 80 percent complete.

The review has generated twenty-five preliminary proposals for improving programs and/or generating efficiencies thus far. These proposals are currently being reviewed by the Use Authorization Teams and the program Assistant Directors to select the most promising ones for further development, estimation of savings, cost of implementation, and impediments to implementation. Some of the preliminary proposals include standardizing and streamlining BLM's approach to NEPA compliance to reduce the overall cost to the Bureau; aggressively pursuing e-permitting; sharing staffs across State boundaries; maximizing economies of scale by reallocating work across Field Office/State boundaries; widespread implementation of identified Best Practices; improved position management by sharing personnel across programs; and requiring applicants to take more responsibility for environmental documentation.

Financial Business Management System — The DOI and BLM have determined that implementation of the FBMS is necessary to continue and enhance BLM's financial accounting responsibilities. The FBMS project involves consolidating all financial-related computer systems and business processes across the DOI and within BLM into a standardized, centrally managed, and universally shared business enterprise.

The FBMS system will replace most of the current BLM administrative systems with a singular functionality to encompass the following Bureau programs:

- Core Accounting a replacement for the Federal Financial System, which includes the general ledger, accounts receivable, accounts payable, project cost accounting, funds control, and other functions;
- Travel a replacement for travel arrangement companies like Omega, systems like Travel Manager, and the travel payment features of FFS for both temporary duty and permanent change of station travel;
- Acquisition a replacement for the Interior Department Electronic Acquisition System;

- Real and Personal Property and Fleet Management a replacement for the Fixed Asset subsystem and the Automated Fleet Management System;
- Financial Assistance a replacement for grants management systems;
- Enterprise Management Information System a replacement for our current Management Information System;
- Budget Formulation and Planning a partial replacement for the Budget Planning System.

Through this project, several objectives will be met. BLM's financial and business practices will be transformed into a more streamlined and customer-oriented business enterprise. A level of consistency will be created to meet auditing requirements and customer expectations. And use of decentralized business systems will be minimized, thus reducing overall costs. As a result, BLM will become more efficient in the way it conducts business. Reporting of financial data across the Department and within the Bureau will be more consistent. Business practices will be more consistent. The system will be able to align government accounting principles and industry guidance. Antiquated systems such as IDEAS, MIS, and property systems, will be consolidated and decommissioned. Finally, this system will also provide for alignment with the DOI Enterprise Architecture. System development, testing and employee training will be conducted by the DOI and the affected bureaus during a period from January 2005 through September 2005. The BLM, OSM and MMS are the first bureaus within DOI to implement FBMS, beginning October 1, 2005, with full implementation available by December 31, 2005.

GPRA Data Validation and Verification – BLM requires State and Field Offices to maintain documentation that supports the performance measurement reported by each office. State and Field Office specialists must complete the comments field in the Management Information System to report daily performance accomplishments. All workload measurement data that directly contributes to the DOI Strategic Plan and BLM-specific performance measures require this documentation.

On a quarterly basis, national, State, and Field Offices certify accuracy of performance measures and the directly contributing workload measures using a verification checklist. The verification checklist is a series of questions verifying that all reviews, standards, and documentation have been completed. The validation checklist is an important tool for providing feedback for improving the tracking and reporting of BLM performance accomplishments.

The BLM will continue to address data reliability issues through internal reporting and tracking systems, including the continued application of the data validation and verification matrix. The BLM has provided performance measure definition templates to all field offices that are required to report on the status of accomplishments for all performance measures to ensure that the measures are well understood and to ensure consistency in the reporting of accomplishments. The BLM also provided training to employees to emphasize and reinforce each employee's responsibility to report performance accurately.

Annually, the BLM conducts program self-assessments, PART studies, and program or general management evaluations that include assessments of data validity and verification of reported accomplishments. Based on the results of these various evaluation processes, the BLM has issued guidance on the use of validation and verification of data.

BLM'S IMPLEMENTATION OF THE "FOUR CS"

The Four C's — Communication, Consultation, and Cooperation, all in the service of Conservation — are an important tool the BLM uses to address the demands placed on the agency. The overall objective of this plan is to improve service to the Department's customers, including the general public, interest groups, and local, State and Federal agencies. The BLM strongly supports the Secretary's vision of the "Four C's." In fact, this philosophy has long been the BLM's way of doing business. Communication, consultation and, cooperation are integral components of nearly every program or action on the public lands. The BLM depends on citizen-centered governance, and for many people in the West, the BLM is the agency with which they most often interact regarding management of Federal land.

Examples of how the Secretary's Four C's are essential to the BLM include:

Citizen-Advisory Groups – The BLM has used citizen advisory groups since 1934, when Grazing Advisory Boards were established. Current examples include:

- 23 Resource Advisory Councils;
- 5 Resource Advisory Committees for western Oregon District Offices;
- The Wild Horse and Burro National Advisory Board;
- The National Science Advisory Board;
- 7 Special Area Advisory Boards (Monuments and National Conservation Areas), and
- 4 new Advisory Boards, established in 2002, for the Carrizo Plain, Canyons of the Ancients, Sonoran Desert, and Grand Staircase-Escalante National Monuments.

Partnerships – The BLM is involved in many local, State, and national partnerships and encourages volunteer assistance to improve management of the public lands. This involvement is reflected in the increase in the number of interagency and cooperative agreements over the last five years and in the number of volunteers on BLM lands. The Bureau anticipates directing \$11 million toward partnerships with other Federal, State and local governments, academic institutions, and non-governmental organizations, and expects a match of the same in non-Federal funding. In 2004, volunteers donated more than 1,475,653 million hours of work, at an estimated value of more than \$25 million, and a similar amount is anticipated in 2005. This demonstrates not only the great willingness of the Bureau's partners to help pay for and to donate their time toward public land improvements but also the extent of the BLM's commitment to collaboration under Secretary Norton's vision. Types of partnership programs include:

Challenge Cost Share - The Challenge Cost Share program is one of the Bureau's premier partnership programs. The program is a valuable tool for building partnerships and leveraging funding, allowing the BLM to initiate and complete many more on-the-ground resource

protection and restoration projects and recreation enhancement projects than would otherwise be possible. Private organizations and State and local governments have contributed millions of dollars in matching funds and in-kind services or equipment since its inception. Funds are used to support recreation resources, cultural resources, and wildlife resources. More information on this program can be found in Section III.

Volunteers - Sustaining the health, productivity, and diversity of 262 million acres would be an insurmountable task without the help of volunteers. Thousands of volunteers contribute their time and talents to care for the many natural, cultural, and recreational resources on BLM-managed public lands. Volunteers enable the BLM to provide a wide range of services to public land users.

National Fish and Wildlife Foundation - The NFWF is a private, non-profit, tax-exempt organization established by Congress in 1984 and dedicated to the conservation of fish, wildlife, plants, and the habitat on which they depend. The NFWF receives congressionally appropriated funding annually through Federal agencies and through partnerships established by BLM, provides grants for projects that focus on environmental education, natural resource management, habitat protection and restoration, and the development of conservation policy. As a result of cooperation with the Foundation, BLM is able to accomplish more on-the-ground work. The following table highlights funding for NFWF between 2004 and 2006.

National Fish and Wildlife Foundation Funding Funding in \$000s

Subactivity	2004	2005	2006
Rangeland	\$350	\$350	\$350
Riparian	\$250	\$250	\$250
Wildlife	\$1,900	\$2,400	\$1,900
Fisheries	\$250	\$250	\$250
T & E Species	\$250	\$250	\$250
Total	\$3,000	\$3,500	\$3,000

National Environmental Policy Act Implementation - Public involvement is an integral part land management planning, both at the project and large-scale land use planning levels.

Another partnership program that incorporates the Secretary's Four C's is the BLM's National Landscape Conservation System program.

BLM'S CONTRIBUTIONS TO THE DOI STRATEGIC PLAN

In 2004, the BLM developed an Operating Plan, which is tiered to the DOI's Strategic Plan released in November 2003. The new Operating Plan, covering the period 2004 – 2008, is a fluid document and will be updated annually to address changes in budget, BLM priorities, and new initiatives. The Operating Plan is consistent with the DOI structure of four mission areas: Resource Protection, Resource Use, Recreation, and Serving Communities.

The Operating Plan provides more detail to the DOI Strategic Plan and includes performance measures specific to the DOI's Strategic Plan, as well as performance measures developed through the Administration's Program Assessment Rating Tool, and select other measures specific to BLM. The Operating Plan establishes both short- and long-term direction for BLM and focuses on key outcome measures necessary to assess BLM performance and identifies the contribution to the overall goals and objectives of the Department. As dictated by local resource conditions and use patterns, the Operating Plan is used to guide the development and implementation of local resource management plans. The Operating Plan also provides the long-term goals measured in the integrated performance and budget for both the Budget Requests and Budget Justifications submitted to the OMB.

The BLM has integrated the DOI's Strategic Plan measures into the Performance Summary Tables included in these Budget Justifications. The BLM program budgets are now displayed to show their relationship to the Department's Strategic Plan and a specific alignment between plan goals and funding requests. The BLM has made considerable progress in establishing baselines and targets for performance measures included in the Budget Requests and Budget Justifications. Over time, the BLM anticipates changes in some baseline information through the modification of existing data reporting and tracking systems, the development and implementation of new data reporting and tracking systems, and the continued application of the data validation and verification matrix.

Each mission goal of the DOI's Strategic Plan has several performance measures to gauge progress towards meeting mission goal accomplishments, including end outcome goals and measures, intermediate outcome goals and measures, and primary outputs. For example, a number of outcome measures track the BLM's progress in meeting the end outcome goal to improve the health of watersheds and landscapes that are managed by the DOI. In each case where the desired condition is known and specified in management plans, outcome measures include the percent of stream miles achieving desired conditions; percent of acres of upland areas meeting desired conditions; and percent of wetland acres achieving desired conditions. A number of other measures track the BLM's progress in meeting the end- outcome goal of sustaining biological communities on lands and waters managed and influenced by DOI, including the percent change from baseline of acres infested with invasive plant species and the number of acres restored or enhanced to achieve habitat conditions that support species

conservation, consistent with management documents.

Reliable data is necessary to the implementation of the Strategic Plan. The BLM will continue to address data reliability issues through internal reporting and tracking systems, including the continued application of the data validation and verification matrix. The BLM plans to address the appropriateness of the outcome goals and measures it is responsible for in support of the Strategic Plan, especially how the goals and measures relate to the BLM mission and whether the goals and measures are measurable, realistic, understandable, and pertinent to decision making. The BLM has provided performance measure definition templates to all field offices that will be required to report on the status of accomplishments for Departmental measures to ensure that the measures are well understood and to ensure consistency in the reporting of accomplishments. BLM has also provided training to employees to emphasize and reinforce each employee's responsibility to report performance accurately. The BLM will also track progress toward meeting key accomplishments on a quarterly basis to review performance results to date and to discuss strategies and potential performance issues. The BLM will also accomplish self-assessments, PART studies, and program or general management evaluations that will include assessments of data validity and verification of reported accomplishments and the agency issued guidance on the use of validation and verification of data as part of evaluations and management control reviews.

Each of the mission areas of the Strategic Plan is described below. The General Statement Attachments section includes a performance summary table, a table showing funding by Strategic Plan mission areas, and a table showing the relationship between Strategic Plan mission areas and BLM's primary work processes.

A. Resource Protection Strategic Plan Mission Area

The BLM expends approximately 22.3 percent of its funding resources for this mission area. The health of BLM-managed lands continues to be of paramount importance. Because healthy lands are more resilient to environmental fluctuation and disturbance, they can sustain greater resource use, recreation, and other uses or activities on a long-term basis. If the condition of the public lands has been degraded, then restoring those lands to a more healthy condition becomes a high priority. In some cases, careful, selective management actions can produce useful results. In other cases, the need for restorative action is a key element in achieving healthy lands. Frequently, effective restoration requires complex, multi-faceted sets of actions that require investments in land treatments and project construction and maintenance activities. The BLM will measure 31 resource protection outcome measures included in the Department's Strategic Plan, the PART studies, and the BLM-specific operating plan in 2006.

B. Resource Use Strategic Plan Mission Area

The BLM expends approximately 18 percent of its funding resources to contribute toward Department goals for this mission area. The public lands provide myriad opportunities for commercial activities. Commercially valuable natural resources include energy and mineral commodities, forest products, grazing forage, and special uses such as rights-of-way for pipelines and transmission lines. The BLM recognizes the Nation's need for a domestic source of minerals, food, timber, and fiber from the public lands. In recent years, the on-shore Federal mineral lands have produced about 35 percent of the Nation's coal, 11 percent of its natural gas, and 5 percent of its oil. Coal production and its Federal share have been increasing, while oil production from on-shore Federal lands has declined slightly but steadily. These public lands also produce a large portion of the Nation's fertilizer minerals, mineral materials, gold, silver, and other critical metals. The BLM will measure 27 resource use outcome measures included

in the Departmental Strategic Plan, in the PART studies, and in the BLM-specific operating plan in 2006.

C. Recreation Strategic Plan Mission Area

The BLM expends 4.4 percent of its funding resources to contribute toward Department goals for this mission area. The BLM provides recreational opportunities on its lands and has more than 68 million visitors each year. The long-term goal for recreation is to provide better access to high-quality recreation opportunities at a cost that is fair to visitors and taxpayers. BLM-administered public lands and waters provide visitors with a vast array of recreational opportunities, including hunting, fishing, camping, hiking, boating, hang gliding, off-highway vehicle driving, mountain biking, birding, and visiting natural and cultural heritage sites. BLM will measure 13 recreation outcome measures included in the Departmental Strategic Plan, in the PART studies, and in the BLM-specific operating plan in 2006.

D. Serving Communities Strategic Plan Mission Area

The BLM expends approximately 55 percent of its funding resources to contribute toward Departmental goals for this mission area. In serving the Nation's citizens and communities, the BLM ensures that people and property are protected from hazards associated with the BLM's land management programs and activities, and fulfills the Government's fiduciary Indian trust responsibilities. To achieve goals for serving communities, the BLM collaborates with many constituents in applying the Secretary's Four C's vision of Conservation through Cooperation, Consultation, and Communication. By actively working with communities, partners, customers, contractors, volunteers, and stakeholders to obtain their input and feedback, the BLM strives to improve delivery of services and products and increase the public's confidence in the BLM's abilities. The BLM will measure 23 outcome measures related to serving communities from the Departmental Strategic Plan, in the PART studies, and in the BLM-specific operating plan in 2006.

BLM's APPROPRIATIONS STRUCTURE

The BLM receives funding authority from numerous sources, including annual direct appropriations from the General Fund of the Treasury and from various special funds such as the Land and Water Conservation fund. Annual appropriations are also made of offsetting collections from non-Federal sources such as mining claim maintenance fees. When it is advantageous to the government, BLM is authorized under the *Economy Act* to enter into reimbursable agreements with other Federal agencies. In some instances, appropriations to other Federal agencies are transferred to BLM, such as transfers from the U.S. Forest Service to the BLM for pest control and cadastral survey programs.

Direct appropriations include the Management of Lands and Resources appropriation, which is the BLM's main source of funds for operating programs such as energy and minerals development, protection of lands and resources, land use planning, management of wild horses and burros, wildlife, grazing, authorization of uses of the public lands, and cadastral surveys. The Oregon and California Grant Lands appropriation covers the management of BLM lands and resources in western Oregon, which are governed by the *Oregon and California Grant Lands Act*. The Wildland Fire Management appropriation covers expenses for wildland fire suppression, preparedness, prevention, rehabilitation, hazardous fuels reduction, and rural fire assistance. The Land Acquisition appropriation is used to purchase lands and interest in lands in certain designated conservation areas. The Construction appropriation is used for construction of facilities on public lands. These appropriations are no-year accounts, and Congress appropriates funds annually.

For 2006, no changes are proposed in the program activities identified in each appropriation, but BLM will be exploring opportunities to simplify its budget structure through reducing the number of program activities in the 2007 Budget. BLM hopes to meet with Congressional staff to make certain that the proposed structure is acceptable to the Congress.

Other direct appropriations include a major portion of the Miscellaneous Trust Funds appropriation, which provides for resource protection and development of public lands with funds contributed to the BLM from non-Federal sources. The Service Charges, Deposits and Forfeitures is a direct appropriation funded from sources such as fees collected to recover the costs of processing applications and documents, and providing copies of public land documents. Each year, Congress appropriates these funds to BLM to do the work. The Range Improvements appropriation is a direct appropriation of \$10,000,000 that is funded by half of the fees collected for grazing on the public lands, with the balance coming from the General Fund of the Treasury.

The BLM funds administrative expenses from the Workforce and Organizational Support program and the Land and Resource Information Systems program in the Management of

Lands and Resources appropriation, and the Western Oregon Information and Data Systems program in the Oregon and California Grant Lands appropriation. In addition, the BLM funds administrative expenses through program assessments at the National and State Office level. The administrative support assessment process, as required by section 343 of the 2004 Department of the Interior and Related Agencies Appropriation Act, is described in the Workforce and Organization Support chapter.

Some appropriations do not require annual appropriation by Congress, but are permanently appropriated by various laws. In this category are permanent appropriations paid to States, counties, and Native corporations. An example is payments made to western Oregon counties under the *Secure Rural Schools and Community Self-Determination Act* of 2000. The payments are derived from both receipts collected by the BLM and appropriations from the General Fund. Another category of permanent appropriations is derived from receipts collected by the BLM for the sale, lease or use of public lands or resources. The receipts are available for use by the BLM each year for specified purposes. For example, 85 percent of the receipts from the sale of public lands in Clark County, Nevada, is deposited into a special account and used for the acquisition of environmentally sensitive lands in Nevada and numerous other purposes authorized by Congress.

The Department of the Interior is seeking further refinement of the new structure that will more closely tie the work activities and performance goals of the fire management program. The proposed change from the current budget structure is small, but significant. DOI seeks the elevation of Hazardous Fuels Reduction and Burned Area Rehabilitation to budget activity status, befitting their importance to the restoration goals of the Department. The elevation of Hazardous Fuels Reduction is especially important because it will enable the Department to establish subactivities for WUI and non-WUI Hazardous Fuels Reduction – an essential step in improved financial accountability. The budget also seek to return Fire Facilities and the Joint Fire Science program to subactivities under preparedness as well as the elimination of the Rural Fire Assistance budget subactivity, as this grants program is proposed for discontinuation.

Current	Proposed		
Activity/			
Subactivity	Activity/		
	Subactivity		
Preparedness	Preparedness		
	Readiness		
	Fire Facilities		
Suppression Operations	Joint Fire Science		
Other Operations	Suppression Operations		
Hazardous Fuels Reduction			
Fire Facilities	Hazardous Fuels Reduction		
Joint Fire Science	WUI Fuels Reduction		
Burned Area Rehabilitation	Non-WUI Fuels Reduction		
Rural Fire Assistance	Burned Area Rehabilitation		

CONGRESSIONAL DIRECTIVES

The Bureau of Land Management is in the process of responding to requests for information from the House and Senate Appropriations Committees. Many of these requests are discussed in these justifications. A summary of some of the requests follows:

Cost Recoveries – House Report 108-542 directs the BLM to continue to streamline the permitting process for applications for permits to drill and report quarterly on the number of permits issued.

Fire Preparedness – House Report 108-542 directs DOI to analyze current readiness levels to determine whether maintaining preparedness resources in the field at a level not less than that established in fiscal year 2003 will, based on the best information available, result in lower overall fire-fighting costs. If DOI determines that it will, the Committee directs the DOI to adjust the levels for preparedness and suppression funding accordingly and report on these adjustments to the House and Senate Committees on Appropriations.

Hazardous Fuels – The Committee (House 108-542) expects the Department of the Interior to provide a summary report on hazardous fuels projects planned for fiscal year 2005, including information on the major vegetative cover type and the type of treatment. In this report, the Department, in conjunction with the Forest Service, should detail the methods used to prioritize fuels projects. The report wasdue December 31, 2004. The BLM is preparing this report.

Construction – House Report 108-542 directs the BLM to provide a list of projects to be accomplished with the construction funding by December 31, 2005. The BLM is preparing this report.

Wildland Fire Management – The Conference Report for the 2005 Appropriation Act directed the Secretaries of the Interior and Agriculture to submit a joint report to the Senate and House Committees on Appropriations listing cost-containment measures by December 31, 2005.

Challenge Cost Share – The House Appropriations Committee, in House Report 108-195, directed the BLM to report on year-end accomplishments for all projects funded by this subactivity in 2003. This report will be submitted in March 2005.

EMPLOYMENT TRENDS

EMPLOYEE COUNT BY GRADE

(Total Employment)	2004 Actual	2005 Estimate	2006 Estimate
Executive Level V	1	1	1
Subtotal	1	1	1
ES - 5	3	3	3
ES - 4	1	1	1
ES - 3	3	3	3
ES - 2	1	1	1
ES - 1	16	15	15
Subtotal	25	24	24
GS/GM - 15	103	102	102
GS/GM - 14	347	345	345
GS/GM - 13	910	904	903
GS/GM - 12	1,765	1,754	1,751
GS/GM - 11	2,659	2,642	2,637
GS/GM - 10	141	140	140
GS/GM - 9	1,355	1,347	1,343
GS/GM - 8	302	300	300
GS/GM - 7	1,241	1,233	1,229
GS/GM - 6	671	667	666
GS/GM - 5	905	899	898
GS/GM - 4	691	687	686
GS/GM - 3	365	363	363
GS/GM - 2	115	114	114
GS/GM - 1	16	16	16
Subtotal	11,611	11,537	11,517
Other Pay Schedule Systems (Ungraded)	632	628	637
Total employment (actual/projected) at end of fiscal year	12,243	12,165	12,154